U. S. Department of Agriculture

Report of the Forest Service FY2002

Healthy Forests and Grasslands –
Financial and Performance Accountability

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FY 2002 REPORT

United States
Department of
Agriculture

Forest Service

Report of the Forest Service FY 2002

Healthy Forests and Grasslands—Financial and Performance Accountability

About This Document

This document presents an accountability report for the U.S. Department of Agriculture (USDA) Forest Service for fiscal year (FY) 2002, consistent with the Reports Consolidation Act of 2000 (P.L. 106-531). The consolidated report combines the agency's Financial Statement, including the Management's Discussion and Analysis section, the Annual Performance Report, the Federal Manager's Financial Integrity Act Report, and selected information from the annual Report of the USDA Forest Service.

Combining these various reports will accomplish the following:

- Present a cohesive and comprehensive picture of USDA Forest Service accountability;
- Eliminate duplicative reporting;
- Provide a single source for corporate information; and
- Facilitate the integration of financial accountability with performance accountability.

The report provides a comprehensive overview of the USDA Forest Service, including who we are, what we do, and how well we met performance goals set for FY 2002. This information is relayed through the mission statement, major program area descriptions, organizational chart, discussion of the major issues facing the USDA Forest Service, and analyses of the agency's financial statements, performance goals, and results. To provide a complete picture of how well the USDA Forest Service is doing, the report addresses the agency's financial performance and the management controls being taken to ensure accountability. Significant progress in improving the USDA Forest Service's financial accountability was achieved in FY 2002, resulting in an unqualified audit opinion. A complete analysis of the USDA Forest Service financial position from the agency, as well as from the Office of Inspector General (OIG), can be found in Appendixes A and B, respectively.

Required supplementary information concerning land stewardship, heritage assets, human capital, research and development, and deferred maintenance can be found in Appendixes C and D. A thorough description of each performance goal, the FY 2002 results, and conclusions can be found in Appendix E. Program details, historically published in the annual Report of the USDA Forest Service, can be found in Appendix F. Finally, a glossary of agency acronyms and abbreviations can be found in Appendix G.

If you have comments or questions about this report, please send them to

USDA Forest Service
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Washington, DC 20250-1132

A copy of this report can be obtained at http://www.fs.fed.us/publications.

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Message from the Chief

A lot has happened this past year that created significant challenges for the USDA Forest Service. The fire season of 2002 was the most expensive and second largest in our Nation's history, made even worse by the death of 23 wildland firefighters throughout the country. Approximately $1 billion was transferred from other programs to support fire suppression efforts. The impact of the transfer on contributing programs in many cases will not be recognized until the field season of 2003 or beyond. Serious forest health problems exist on more than 70 million acres of public lands administered by the Forest Service. Burdensome processes that delay or derail our ability to complete needed work have created difficulites in delivering on many of our commitments.

Despite challenges, the Forest Service had a very productive year in fiscal year (FY) 2002. Through the dedicated efforts of many employees, the Forest Service obtained a clean audit opinion, signifying that our financial records are in order. This is a significant accomplishment, one the agency has been trying to reach for many years. A key goal for the future will be to maintain this level of financial accountability, and in doing so, we must continue our efforts in such areas as account reconciliation and reporting of fire suppression obligations.

Despite the large number of acres that were burned during the severe fire season of 2002, it is phenomenal to note that the Forest Service, along with its firefighting partners, suppressed 99 percent of all fires during initial attack. Through the concerted efforts of these men and women, untold natural resources were protected and homes, businesses, and lives were saved.

During FY 2002, the Administration and the Forest Service took major steps to improve forest health. In August, the President unveiled the Healthy Forests Initiative, which has raised the Nation's level of consciousness about the forest health crisis. This initiative further emphasizes efforts of the National Fire Plan (NFP), a cooperative program between the Forest Service and the U.S. Department of the Interior, which, in part, addresses the hazardous fuels problem, a major impediment to forest health. Through projects associated with the NFP, more than 1.3 million acres of hazardous fuels have been treated to reduce the risk of catastrophic fires, especially around communities adjacent to forested public lands. Other forest health issues being addressed by the Forest Service include efforts in collaboration with partners at many levels to eliminate the introduction and control the spread of invasive plant and animal species, and watershed restoration projects that, in part, improve the quantity and quality of fresh water that comes from our national forests.

The Forest Service issued *The Process Predicament* report to identify the problems in getting projects completed on time, while meeting regulatory and statutory requirements. This is a major first step in resolving the issue. Once the problem areas can be identified and agreed upon, solutions can be found to expedite needed projects, while at the same time ensuring regulatory and oversight opportunities are in place and followed.

These activities and many others are moving the agency forward in its mission "to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations." This *Report of the Forest Service FY 2002* provides a comprehensive picture of agency accountability, incorporating both financial and performance information. We must continue to build on our successes and lessons learned to ensure that our Nation's public lands remain the best in the world.

Thanks to all who contributed to our success in FY 2002.

DALE N. BOSWORTH
Chief

Executive Summary

This document consolidates three reports previously published as separate documents. Those reports are the *Financial Statements and Management's Discussion and Analysis*, the *Annual Performance Report*, and the *Report of the Forest Service*.

Reviewers of this *Report of the Forest Service* should find the information helpful in understanding the mission of the U.S. Department of Agriculture (USDA) Forest Service, the agency's major issues, and how well it accomplished major goals and objectives.

For more than a century, the USDA Forest Service has served as a world leader in the management, protection, and use of forest, rangeland, and aquatic ecosystems. In addressing many challenges in fiscal year (FY) 2002, the USDA Forest Service:

- Continued implementing a 10-Year Comprehensive Strategy to reduce wildland fire risks to communities and the environment.
- Implemented the Healthy Forests Initiative to improve the condition of the Nation's forests and grasslands.
- As a continued priority, addressed the increasing threat of insects, disease, and noxious weeds—including those classified as invasive species—to the integrity and viability of forest and rangeland ecosystems.
- Continued to emphasize restoration and enhancement of watersheds.
- Addressed the impacts that resulted from transferring funds to fight fires in FY 2002.
- Continued improvement of the agency's financial and performance accountability to obtain an unqualified audit opinion.

The National Fire Plan was implemented in FY 2001 in response to a devastating FY 2000 fire season. The multiyear plan focuses on reducing the impacts of wildland fire on rural communities, reducing the long-term threat from catastrophic fires, and ensuring sufficient firefighting readiness. To achieve these goals, the USDA Forest Service is working with communities to reduce hazardous fuel buildups, restoring fire-affected ecosystems, and equipping communities with wildland firefighting tools to reduce fire risk. In addition, the USDA Forest Service is reducing the risks to life, property, and ecosystems by training employees on how to respond to incidents that may threaten homeland security or become national disasters and emergencies.

The Healthy Forests Initiative is a major new effort to reduce the risk of catastrophic wildland fire on the Nation's forests and grasslands and return these lands to healthy condition. The Healthy Forests Initiative works to reduce the unnecessary regulatory obstacles that hinder active forest management, expedite procedures for forest thinning and restoration projects, and ensure that sustainable forest management and appropriate timber production objectives of the 1994 Northwest Forest Plan are being achieved.

The USDA Forest Service continued an invasive species program coordinated by State and Private Forestry, Research and Development, National Forest System, and International Programs. The program's goal is to reduce adverse social, economic, and ecological impacts of key invasive pests, insects, plants, and diseases threatening forest, rangeland, wildland, and urban ecosystems in the United States. Agency efforts include the long-term strategy of using extensive partnerships with international governmental organizations; other Federal agencies; State, local, and tribal governments; nonprofit organizations; and private landowners.

The USDA Forest Service continues to demonstrate innovative ways to improve watershed, forest, range, water, and habitat conditions with a number of multiyear projects in partnership with other Federal agencies and State, local, and tribal governments. Additionally, the USDA Forest Service is increasing cooperative efforts with States involved in water rights adjudications for developing alternative solutions to maintaining sustainable water supplies. This will involve the investment of water mitigation restoration projects.

The FY 2002 fire season was devastating not only to the 6.7 million acres burned, but also in terms of cost. The USDA Forest Service transferred $1 billion from discretionary and mandatory accounts to meet suppression costs. Many programs moved upwards of $100 million into suppression accounts. While many of these same programs either met or exceeded FY 2002 performance targets, the transfers will have an impact in FY 2003 and beyond.

USDA Forest Service reorganized its financial management to improve financial and performance accountability. Major issues that were addressed include reliability of the real and personal property accounting and realigning the year-end closing, financial statement, and financial audit liaison responsibilities. As a result of these changes, lessons learned from the FY 2001 year-end process, and assistance from the USDA Office of the Chief Financial Officer, the USDA Forest Service reengineered its processes, focused on account reconciliations, and attained an unqualified audit opinion in FY 2002.

In addition to addressing these significant issues, the USDA Forest Service achieved or exceeded a significant portion of its performance targets in FY 2002. In areas where target definition weaknesses were identified, the agency will prepare a definable, measurable, and verifiable standard for future year accounting and reporting purposes.

Success Stories

The USDA Forest Service had a very successful fiscal year (FY) 2002, achieving or surpassing its goals in many areas. Despite transferring approximately $1 billion from programs throughout the agency to suppress fires during the most expensive fire season on record, much was accomplished on National Forest System lands, as well as in partnerships with all levels of government, nongovernment organizations and groups, other cooperators, and private landowners. Although the transfer of funds had some effect on programs during FY 2002, major impacts are expected in FY 2003 and beyond. In many cases, accomplishments in FY 2002 were achieved because of funding and planning done in prior fiscal years. Many accomplishments occurred prior to the start of the fire season. As the fire season heightened and fund transfers were made, some projects or partnerships were necessarily delayed or foregone.

A listing of all the accomplishments would be impractical. Some of the success stories of the agency that highlight the efforts made by its employees in FY 2002 are described below. In addition to these, other highlights can be found in the Analysis of Agency Performance. Reportable program accomplishments are in Appendix E and program details can be found in Appendix F.

Financial Accountability

The USDA Forest Service received an unqualified audit opinion on the FY 2002 financial statements. This is the first time since the agency has been producing financial statements that it has received an unqualified opinion. Of four possible levels, the unqualified audit opinion is the highest that auditors provide. For FY 2001, the agency received a disclaimed opinion from the Office of Inspector General, the lowest level possible. To improve from a disclaimed opinion to an unqualified opinion in 1 year is a tremendous accomplishment and reflects the leadership and dedication of those committed to improving financial performance in the USDA Forest Service.

Although the agency is proud of its accomplishment, more improvements are still needed. In FY 2003, the agency will work to correct existing problems identified in the audit, as well as to improve and modernize reporting systems that do not substantially comply with Federal financial management systems requirements, applicable accounting standards, or the United States Government Standard General Ledger at the transaction level. Through the continued dedication and hard work of its employees, the USDA Forest Service looks forward to maintaining the impressive unqualified audit achieved in FY 2002.

Watershed Restoration

Over the past several years, the Millionaire Camp and Bassi Falls area on the Pacific Ranger District of Eldorado National Forest received considerable resource damage from motorized vehicle use off of National Forest System roads. Off-highway vehicle users created many unauthorized roads that were on steep slopes or crossed drainages, causing considerable soil compaction and erosion problems. A study by Colorado State University found the erosion rate in the area was over 8,000 pounds per acre per year, which is 400 - 600 times the baseline erosion rate for the Sierra Nevada of 13 pounds per acre per year. In addition, the high level of recreation also created other law enforcement problems, including unsafe firearms use, illegal campfires, excessive trash, substance abuse issues, and other unlawful activities. Private land in the area was also impacted by this recreational use.

In a cooperative effort between the USDA Forest Service and the private landowner during the spring of 2002, approximately 400 acres were rehabilitated in the recreation area. Various

off-highway vehicle groups, other interested groups, and individuals that were concerned with the resource damage also provided input and labor during the project. Restoration efforts included obliterating the unauthorized roads, installing waterbars and spreading mulched straw to promote soil stabilization, placing rock and log barriers to prevent off-highway vehicle access, and providing educational information through public contacts and signage. Additional restoration activities are planned, including planting ponderosa pine saplings throughout the area during the spring of 2003. As a result of the efforts in 2002, resource damage and law enforcement incidents in the area decreased dramatically. This area, which was once considered unsafe, is again being used for family-oriented recreation.

Resource damage prior to restoration

Site after restoration

Invasive Species

Leafy spurge is an invasive species present in much of the Northern United States. It displaces native vegetation by shading, competing for water and nutrients, and emitting plant toxins that prevent the growth of plants underneath it. Leafy spurge is extremely difficult to eradicate because of its persistent nature and ability to regenerate from small pieces of root. Although several systemic herbicides have been found to be effective, multiple treatments are necessary every year for several years, making control an extremely expensive undertaking. If left uncontrolled for a single year, leafy spurge can reinfest rapidly.

Monitoring biological control insects on leafy spurge

Biological control offers a highly promising management tactic for leafy spurge. Six natural enemies of leafy spurge have been imported from Europe, including a stem- and root-boring beetle, four species of root-mining flea beetles, and a shoot-tip gall midge. Federal and State officials in many Northern States carry out cooperative large-scale field-rearing and release programs for these biological control agents. The results, although not as immediate as when herbicides were used, have been impressive. As these agents continue to build up to larger numbers within the next few years, results are expected to continue to improve. Unlike herbicides that require repeated applications, biological agents are self-sustaining and always present to control leafy spurge. These biocontrol methods work well in combination with other tools in integrated pest management strategies. These tools include cultural and mechanical controls such as reseeding, clipping, and burning, which give desirable grasses and plants a competitive advantage while reducing leafy spurge's dominance.

USDA Forest Service
Management's Discussion and Analysis

Mission and Organizational Structure

Mission Statement

The mission of the USDA Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.

The U.S. Department of Agriculture (USDA) Forest Service's commitment to land stewardship and public service is the framework within which natural resources are managed. Implicit in this statement is the agency's collaboration with public, private, and nonprofit partners.

As one of the principle Federal agencies in natural resource management, the USDA Forest Service provides leadership in the protection, management, and use of the Nation's forest, rangeland, and aquatic ecosystems. The USDA Forest Service's management approach integrates ecological, economic, and social factors to maintain and enhance the quality of the environment to meet current and future needs. Through implementation of land and resource management plans, the agency provides for the health, productivity, and diversity of the natural resources on our national forests and grasslands. Outcomes include high-quality outdoor recreation opportunities, healthy watersheds that provide clean water, abundant wildlife and fish, improved rangeland conditions, timber, and mineral resources for current and future generations.

The USDA Forest Service is a world leader in forestry and natural resource research. By conducting and sponsoring basic and applied scientific research, the agency leads the way in increasing the knowledge and understanding of the composition, structure, and function of forest, rangeland, and aquatic ecosystems, as well as in increasing the efficient use of natural resource products.

Through technical and financial assistance, the USDA Forest Service supports all 50 States and private landowners in practicing good stewardship, promoting rural economic development, and improving the natural environment of cities and communities. The USDA Forest Service strives to develop and use the best available scientific information to meet agency goals and objectives. Domestic and international activities are directed at developing values, products, and services in such a way as to maintain ecosystem health.

Organizational Structure

The Chief of the USDA Forest Service and the Associate Chief provide leadership at the national level from the headquarters office, located in Washington, DC. National-level policy and direction are formulated and provided to the field offices in response to Administration priorities, congressional direction, and other national issues. Six deputy chiefs, nine regional foresters, six research station directors, one area director, and the directors of the Forest Products Laboratory (FPL) and International Institute of Tropical Forestry (IITF) report directly to the Chief.

The mission of the agency is accomplished in many ways through several different but cohesive organizational structures. In the National Forest System, regional offices link the Washington Office to individual national forests and grasslands, managed by forest supervisors. These units are subdivided into ranger districts that are managed by district rangers who report to the forest supervisor. Research and development is performed through a network of research stations and work units throughout the country, as well as at the FPL in Madison, WI, and IITF in Puerto Rico. The State and Private Forestry deputy area coordinates through regional offices and the Northeastern Area office to provide assistance to State and local governments, forest industries, private landowners, and forest users in the

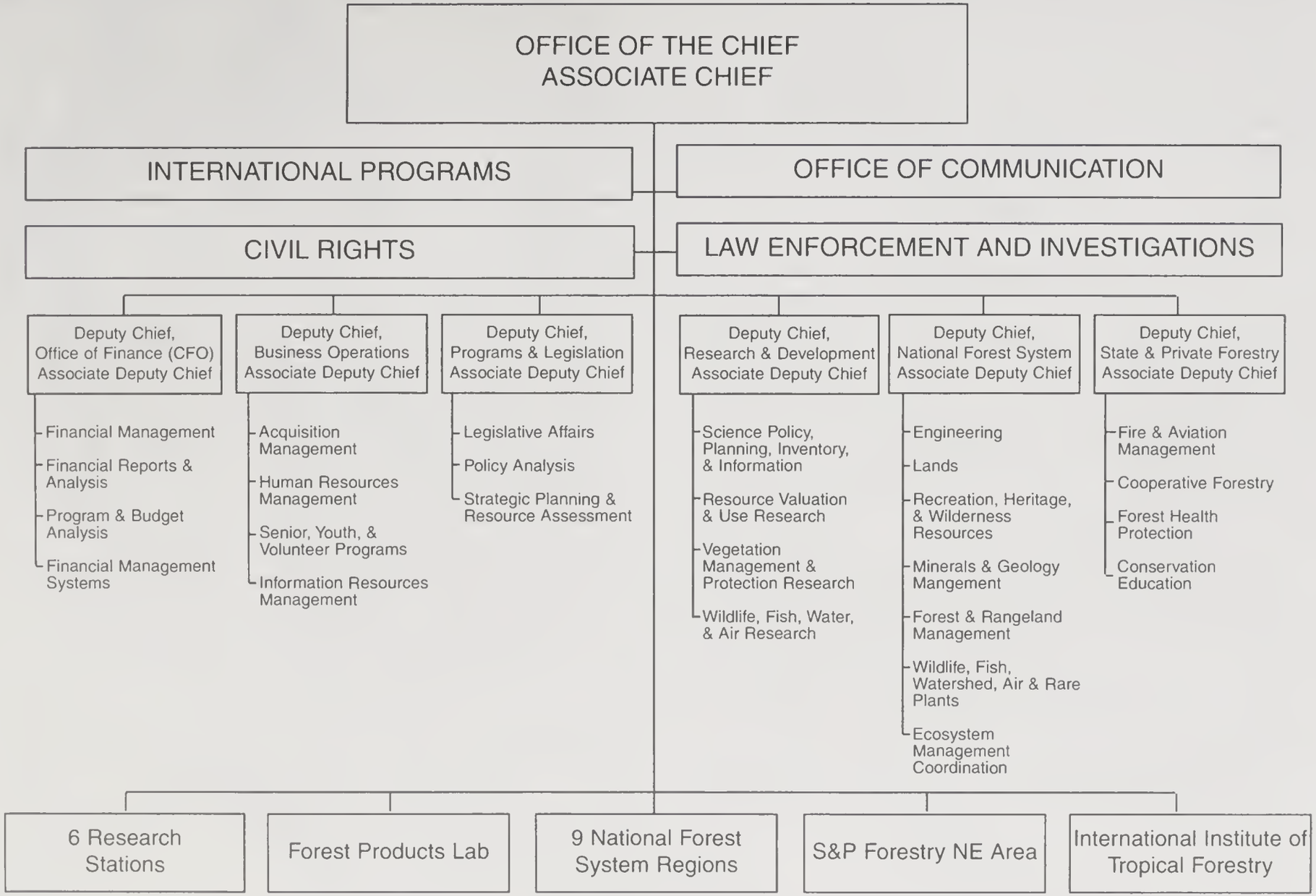
management and protection of non-Federal forest land. Through International Programs, the agency works with other Federal agencies, nonprofit development organizations, wildlife organizations, universities, and international assistance organizations to link people and communities striving to protect and manage forests throughout the world.

The current organizational structure is shown on page 5. A proposed reorganization, currently in the Department of Agriculture for review, is shown on page 6.

Land Management

The USDA Forest Service is a large, geographically dispersed organization. The National Forest System comprises 155 national forests, 20 national grasslands, 5 national monuments, the Midewin National Tallgrass Prairie, and 6 land utilization projects. These units are located in 44 States, Puerto Rico, and the Virgin Islands, and encompass over 192 million acres. The USDA Forest Service regional boundaries and administrative units are shown on page 7.

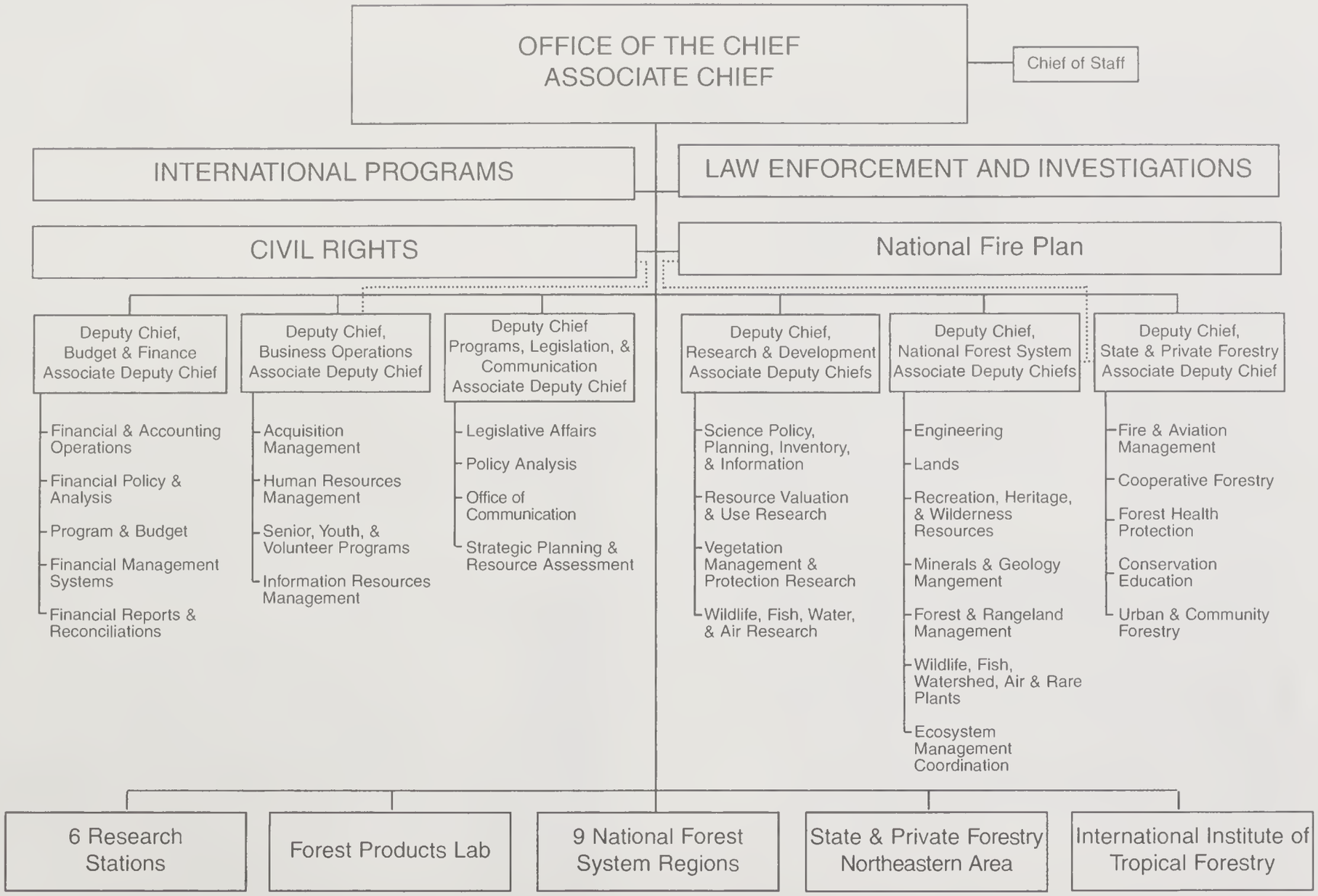
USDA Forest Service Organizational Structure



As of May 2001
Supercedes Chart Dated: June 16, 1997
Prepared by: Human Resources Management Staff, Washington Office

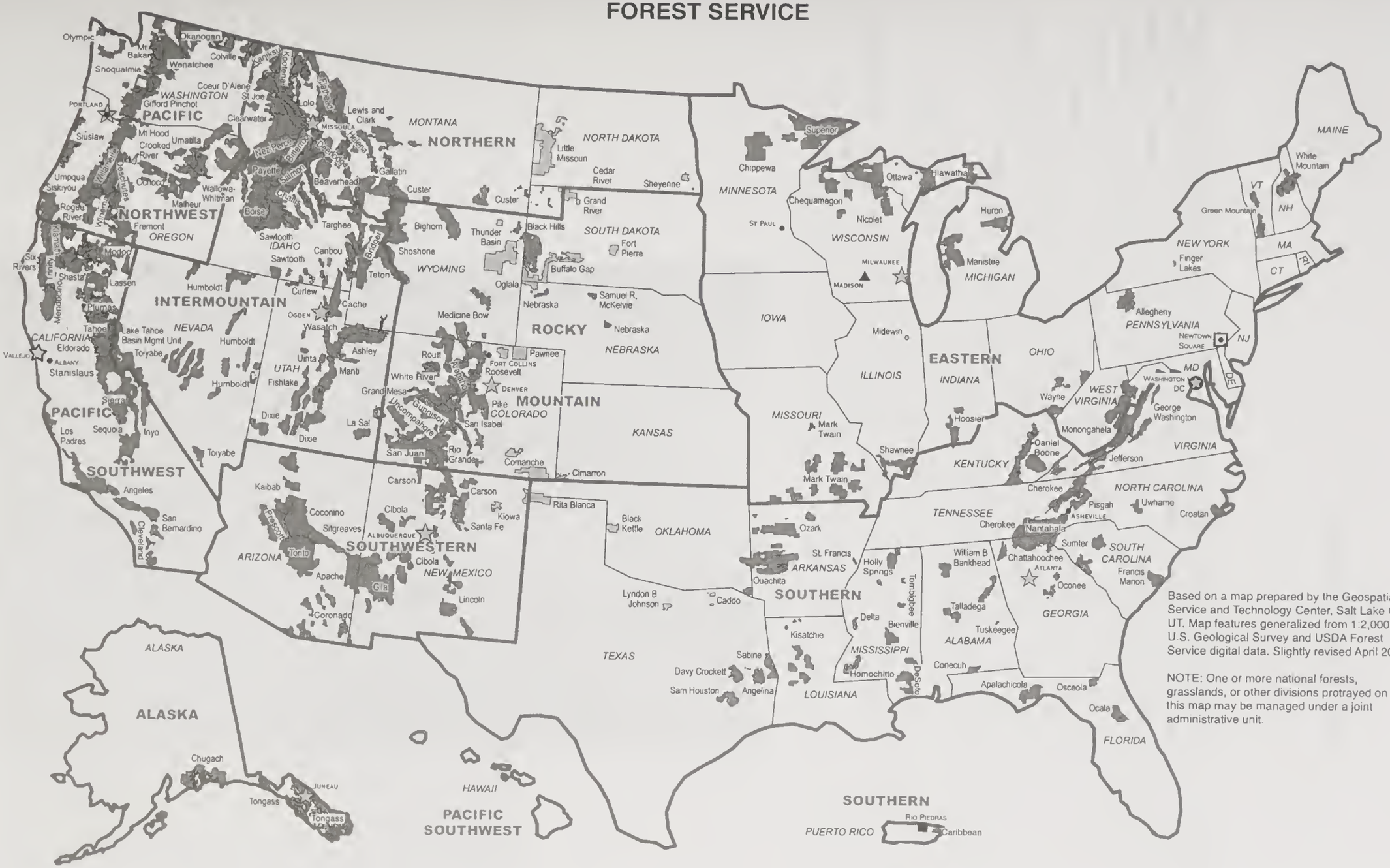
The agency manages the 192 million acre National Forest System for many purposes; administers a comprehensive research program; provides for cooperative forestry assistance to States, communities, and private forest landowners in the United States; and conducts international forestry activities in cooperation with other countries.

USDA Forest Service Organizational Structure
Proposed



Proposed to Supercede Chart Dated: May 2001
Prepared by: Human Resources Management Staff, Washington Office

U.S. Department of Agriculture
FOREST SERVICE



Based on a map prepared by the Geospatial Service and Technology Center, Salt Lake City, UT. Map features generalized from 1:2,000,000 U.S. Geological Survey and USDA Forest Service digital data. Slightly revised April 2002.

NOTE: One or more national forests, grasslands, or other divisions protrayed on this map may be managed under a joint administrative unit.

National Headquarters
National Forests
National Grasslands
Regional Boundaries
International Institute of Tropical Forestry
Regional Headquarters
Research Station Headquarters
Forest Products Laboratory
State and Private Forestry Area Headquarters
(In other Regions these activities are directed from Regional headquarters)

National Forests and Grasslands

The National Forest System (NFS) is managed under the principles articulated in the National Forest Management Act. The natural resources contained within the NFS are managed to meet the needs of the Nation in a sustainable manner. NFS encompasses approximately 192 million acres of aquatic and terrestrial ecosystems, including tropical and boreal forests, grasslands, and important wetlands. Administration of NFS lands uses a multiple-use land management approach that sustains healthy ecosystems, repairs damaged ecosystems, and addresses the need for resources and commodities. NFS provides support to National Fire Plan (NFP) implementation through its burned area emergency rehabilitation (BAER) program, as well as other restoration and rehabilitation programs. NFS operations provide an array of multiple uses, including, but not limited to, the following:

- Administering and managing recreation, wilderness, and heritage areas;
- Restoring, recovering, conserving, and enhancing fish and wildlife and their habitats;
- Managing forest, rangeland, minerals, and water resources in a sustainable manner;
- Conducting resource inventories and assessments of NFS lands; and
- Providing a safe environment for the public and for USDA Forest Service employees.

Forest and Rangeland Research

The Research and Development (R&D) deputy area of the USDA Forest Service is one of the world's leaders in forest conservation research. R&D serves society by developing and communicating the scientific information and innovative technology required to manage, protect, use, and sustain our Nation's forests. Research projects conducted by R&D scientists contribute to the stewardship of land, real property, and society by providing more affordable housing, creating jobs, and improving the health of trees, forests, and forest ecosystems. Innovative research applications permit the USDA Forest Service and other public and private land managers to monitor and manage forest responses to environmental change, contributing immeasurably to the sustainability of the Nation's forests and rangelands and improving human health. The R&D deputy area also provides support for implementing the NFP.

R&D operates six research stations; the Forest Products Laboratory in Madison, WI; and the International Institute of Tropical Forestry in Puerto Rico. It employs over 500 scientists and hundreds of technical and support personnel at 65 principal field sites throughout the Nation.

The R&D program focuses on the following seven functional areas to meet the needs of society:

1. Enhancing the productive capacity of forests and rangelands;
2. Improving forest and rangeland health;
3. Preserving forest and rangeland contributions to carbon cycles;
4. Conserving soil, water, and air resources;
5. Enhancing long-term multiple socioeconomic benefits;
6. Protecting biodiversity; and
7. Monitoring forest inventory and health.

State and Private Forestry

State and Private Forestry (S&PF), a deputy area of the USDA Forest Service, is a Federal leader in providing technical and financial assistance to landowners and resource managers to help sustain the Nation's urban and rural forests and protect communities and the environment from wildland fires. S&PF programs help bring forestry to all landowners—woodlot, tribal, State, and Federal—in efficient, nonregulatory ways. Through management, protection, conservation education, and resource use efforts, S&PF helps facilitate sound stewardship across lands of all ownerships on a landscape scale, while maintaining the flexibility for individual forest landowners to pursue their objectives. S&PF plays a key role, along with NFS, R&D, and the U.S. Department of the Interior in implementing the NFP to manage the impacts of wildland fires on communities and the environment. S&PF operations provide for the following activities:

- Maintaining healthy and productive forest ecosystems by preventing, detecting, and suppressing damaging insects and disease;
- Providing technical and financial assistance to States and local fire agencies to promote efficient wildland fire protection on Federal, State, and private lands;
- Maintaining healthy, sustainable rural and urban forests through stewardship planning, active management, and professional technical assistance for States and private landowners;
- Improving the quality of living conditions in urban areas through the management of urban natural resources;
- Protecting forests from fragmentation and conversion to nonforest uses; and
- Improving the economic well-being of natural resource-dependant rural communities.

Fire and Aviation Management Program/The National Fire Plan

The Fire and Aviation Management (FAM) Program protects life, property, and natural resources on the 192 million acres of NFS lands. The USDA Forest Service also enters into cooperative fire protection agreements with States and other Federal agencies, such as the Department of the Interior and the Department of Defense. The FAM Program is guided, in part, by the fundamental principles articulated in the NFP as adopted by the Secretaries of Agriculture and the Interior in FY 2000, as well as the 10-Year Comprehensive Strategy, signed by the Secretaries in August 2001, and the *10-Year Comprehensive Strategy Implementation Plan*, signed in May 2002. Among many programmatic functions, NFP funds are used to support actions that help prevent, detect, and take initial suppression actions on wildland fires. The program also supports fire operations, including fire suppression efforts and the reduction of hazardous fuels to minimize the potential for large, destructive wildfires. In addition, it funds and supports communities through Economic Action Programs and Cooperative Forest Fire Prevention Programs for States and volunteer fire departments. The NFP also encompasses Forest Health Monitoring Programs for Federal and cooperative lands, joint fire sciences, fire facilities, and restoration of burned-over lands. Research efforts include a variety of projects supporting firefighting capacity, rehabilitation and restoration, hazardous fuels reduction, and community assistance.

Working Capital Fund

The Working Capital Fund (WCF) is a revolving fund established in 1956 for furnishing supply and equipment services in support of programs of the USDA Forest Service. Currently, the WCF includes 10 activities approved by the Chief of the USDA Forest Service and the Secretary of Agriculture: fleet services, including rental and maintenance; aircraft services, including operation and maintenance; supply services, including photo reproduction, sign shop, and seed supply; tree nursery services; and computer services, including the replacement of computer hardware and software.

The WCF is credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the USDA Forest Service, at rates approximately equal to the cost of furnishing the supply and equipment services.

Major Issues Facing the USDA Forest Service

The USDA Forest Service faced and met many challenges in fiscal year (FY) 2002. The extreme fire season impacted nearly all programs within the agency, as approximately $1 billion was transferred from other agency programs to support firefighting efforts. Healthier forests would greatly reduce the potential for catastrophic fires; as a result, fire suppression costs should, on average, decrease dramatically. The President highlighted the need to return our Nation's forests and grasslands to a healthy condition, including the need to address not only the hazardous fuels situation, but also the threat from noxious weeds and other invasive species, the need to protect and improve the country's watersheds, and the need to address the economic impacts of changes in land management policies and practices. Major challenges the USDA Forest Service faces include efforts to:

- Continue implementation of the 10-Year Comprehensive Strategy of the National Fire Plan (NFP) to reduce wildland fire risks to communities and the environment;
- Implement the Healthy Forests Initiative to improve the condition of the Nation's forests and grasslands;
- Address the "Process Predicament" to improve the timeliness and effectiveness of agency decisionmaking;
- Address the increasing threat of insects, disease, and noxious weeds—including those classified as invasive species—to the integrity and viability of forest and rangeland ecosystems;
- Restore and manage watersheds;
- Address the impacts that result from transferring funds to fight fires in FY 2002; and
- Continue improvement of the agency's financial and performance accountability and attain an unqualified audit opinion from the USDA Office of Inspector General (OIG) related to the USDA Forest Service's annual financial statements.

Community and Land Protection/ National Fire Plan

The incredibly disastrous fire seasons of FY 2000 and FY 2002 have vividly illustrated the negative impacts hazardous fuels buildup in forested areas can have on watersheds and biological resources, especially in the wildland-urban interface. Catastrophic fires in the first half of the 1900s caused the Nation to adopt a policy of fire prevention and suppression. Ironically, firefighters became so effective at suppressing fires that small trees and brush increased to dangerously high fuel levels. The severe fire season of FY 2000 led to the adoption of the NFP in an effort to protect life and property and minimize losses of natural resources. As evidenced by the enormous fires in the West during the summer of 2002, although much fuel reduction work has been done since the NFP was developed, it will take many years to restore the Nation's forests to a healthy and fire-safe condition.

The NFP implements an ambitious program of work while preparing the longer-term foundation to reduce fire risk and restore healthy, fire-adapted ecosystems on the Nation's forests and rangelands. The key points of the NFP are to:

- Continue to make all necessary firefighting resources available,
- Restore damaged landscapes and rebuild communities,
- Invest in projects to reduce fire risk,
- Work directly with local communities, and
- Be accountable.

The 10-Year Comprehensive Strategy and Implementation Plan were developed cooperatively among Federal, State, tribal, and local governments; local community groups; and other interested parties to address the multitude of issues related to wildland fires. Many activities and efforts took place in FY 2002 in support of the goals and objectives embraced by the NFP. In April, the Interagency Wildland Fire Leadership Council was established to achieve consistent implementation of the goals, actions, and policies of the NFP and the Federal Wildland Fire Management Policy. In May, the *10-Year Comprehensive Strategy Implementation Plan* was signed by the Secretaries of Agriculture and the Interior and 17 State governors, in furtherance of the 10-Year Comprehensive Strategy. In August, President George W. Bush announced the Healthy Forests Initiative that, in part, supports several of the actions addressed by the 10-Year Comprehensive Strategy and Implementation Plan. In the area of NFP research support, the Joint Fire Science Program (created in 1998 by the USDA Forest Service and the Department of the Interior) provides support in hazardous fuels management; the USDA Forest Service Research and Development (R&D) deputy area conducts research projects addressing NFP goals.

Many management practices, such as thinning, timber stand improvement, and prescribed burning, can be systematically blended to meet site-specific forest needs. To achieve these desired outcomes, the USDA Forest Service and the Department of the Interior work with communities to reduce hazardous fuels buildups, restore forested ecosystems impacted by catastrophic fire, and equip those communities and homeowners with the tools necessary to reduce wildland fire risks. Aid is provided through State, volunteer, and rural fire assistance programs, as well as Economic Action Programs.

While these efforts will help reduce threats to communities at risk, large wildland fires will not be eliminated. Long-term and comprehensive programs in fire prevention, fire suppression, and fuel treatments involving other Federal agencies, States, tribes, and communities will be necessary before the current fire environment is changed to one that is less destructive and costly. To this end, the USDA Forest Service is currently working on improvements to wildland fire planning systems, focusing fuel treatment in areas where communities are at risk; working with other Federal and State agencies to plan interagency landscape-level fuel treatment programs; and expanding fire prevention programs.

Healthy Forests Initiative

In August 2002, President George W. Bush initiated the Healthy Forests Initiative to address a variety of impediments to returning the Nation's forests to healthy conditions. The need for healthier forests is essential. Catastrophic damage to forests through wildland fires severely impacts plants, animals, and fisheries, and can lead to diminished soil productivity and erosion. Unhealthy forests are less able to withstand infestations of invasive species. Detrimental economic consequences to local communities dependent on natural resources often result from a loss of revenue from less tourism and reduced opportunities for the local wood products and ranching industries, as well as the service industries that support them. In addition, damaged watersheds result in a variety of economic costs to communities.

The Healthy Forests Initiative focuses on three main areas:

1. Significantly step up efforts to prevent the damage caused by catastrophic wildfires by reducing unnecessary regulatory obstacles that hinder active forest management;

2. Expedite procedures for forest thinning and restoration projects; and
3. Ensure sustainable forest management and appropriate timber production of the 1994 Northwest Forest Plan are being achieved.

Regulatory actions, whether legislative, judicial, or agency-imposed, have, in some instances, delayed the implementation of forest management practices or hindered rapid response to emergency situations. One goal of the Healthy Forests Initiative is to seek solutions to processes, procedures, and situations that hinder our ability to manage the Nation's natural resources.

Treatment of hazardous fuels is a major step in returning our Nation's forests to a healthy condition. This issue is a major component of the NFP through the 10-Year Comprehensive Strategy and Implementation Plan. By finding ways to expedite forest thinning and restoration projects, the Healthy Forests Initiative will provide support to this element of the NFP.

In the Northwest, ecomonic and environmental issues were addressed in the 1994 Northwest Forest Plan. Due to a variety of factors, the intent of the plan has not been fully addressed. Efforts will once again be concentrated on fulfilling the intent of the plan, resulting in healthier, more productive forests, as well as providing economic stimulus to local communities.

A more complete description of the Healthy Forests Initiative is located on the Internet at www.whitehouse.gov/infocus/healthyforests/toc.html.

Process Predicament

The USDA Forest Service is an agency of dedicated, hard-working employees who are committed to wise natural resource management. The agency strives to manage the lands and resources for which it is responsible to meet the requirements and desires of the American public. Unfortunately, requirements often impede the agency from effectively addressing rapid declines in forest health. The requirements also hinder the agency's ability in other aspects of multiple-use management. Three problem areas stand out:

1. *Excessive analysis*—confusion, delays, costs, and risk management associated with the required consultations and studies;
2. *Ineffective public involvement*—procedural requirements that create disincentives to collaboration in national forest management; and
3. *Management inefficiencies*—a deteriorating skills base and inflexible funding rules have helped to create problems that are compounded by the sheer volume of the required paperwork and the associated proliferation of opportunities to misinterpret or misapply required procedures.

These problems frequently place line officers in a costly procedural quagmire, where a single project can take years to move forward and where planning costs alone can exceed $1 million. Even noncontroversial projects often proceed very slowly. The time it takes to complete many projects was addressed as part of President Bush's Healthy Forests Initiative.

The agency estimates that planning and assessment consume 40 percent of total direct work at the national forest level. Although some planning is obviously necessary, USDA Forest Service officials have estimated that improving administrative procedures could shift up to

$100 million a year from unnecessary planning to actual project work to restore ecosystems and deliver services on the ground.

The USDA Forest Service is deeply committed to the principles of sound public land management in a democracy—long-term planning on an ecosystem basis, extensive public involvement, interagency consultation and collaboration, and ample opportunities for public redress. The USDA Forest Service has the tools and techniques to stop invasive species, reduce the danger of catastrophic fire, and restore ailing watersheds to health. Permitted to use the tools and apply the techniques of modern management, the USDA Forest Service can ensure healthy, resilient ecosystems across national forests and grasslands for all Americans.

It is time to tailor the USDA Forest Service's statutory, regulatory, and administrative framework to the new era of public land management. Part of the solution will be internal. The problem goes far beyond the range of control of any single agency or single branch of the government, however. The USDA Forest Service will need to work with partners, both in and out of government, to establish a modern management framework. By working together with partners to create and operate within such a framework, the USDA Forest Service can focus more of its resources on responsible stewardship and thereby improve public trust and confidence in the agency's ability to care for the land and serve people.

Invasive Species

The USDA Forest Service is committed to diminishing the rate of introduction and infestation of invasive species on forests and grasslands. Invasive species, including animals, insects, plants, and associated pathogens, are a significant threat to the integrity and viability of forest and rangeland ecosystems. They contribute to tree mortality and high-intensity wildland fires, causing billions of dollars in damage annually. Invasive species put many resources at risk, including wilderness, wildlife, forage, visual quality, reforestation, recreation opportunities, as well as other factors such as land values and farming. For example, millions of forested acres are at risk along the leading edge of a gypsy moth front. In Oregon and California, more than 25,000 acres of Port-Orford-cedar root disease have been identified on Federal lands. On the 192 million acres of National Forest System (NFS) lands, approximately 4 million acres of noxious native and nonnative weeds have been identified.

The USDA Forest Service invasive species program is a coordinated effort implemented through International Programs and three deputy areas—State and Private Forestry (S&PF), R&D, and NFS. The goal of the program is to reduce adverse social, economic, and ecological impacts of key invasive pests, insects, plants, and pathogens threatening forest, rangeland, wildland, and urban ecosystems in the United States. In part, this goal is being reached by emphasizing partnerships, operations, and research and development activities that prevent, monitor, and control invasive species, and restore impacted ecosystems.

To date, USDA Forest Service efforts have focused almost exclusively on insects, plant pathogens, and terrestrial noxious weeds, such as fire ants, gypsy moths, zebra mussels, Asian long-horned beetle, Sudden Oak Death disease, purple loosestrife, and yellow star thistle. The frequent introduction of invasives, however, requires immediate focus on other species as well, including aquatic weeds, nonnative fish, cogon grass that alters habitat of gopher tortoises, species that directly impact migratory songbird habitat, and species that displace valued native animals and plants. One example of the latter is the bullfrog that is invading the

habitat of the Oregon spotted frog. Prevention efforts also need to be increased, such as preventing the spread of weed seed along travel corridors and in the back country.
The long-term strategy of the USDA Forest Service invasive species program includes the use of extensive partnerships with international government organizations, other Federal agencies, State and local governments, nonprofit organizations, and private landowners. In conjunction with these entities, the USDA Forest Service will work to prevent the introduction of invasive species, eradicate new infestations, manage populations of established invasives, and restore impacted ecosystems. To effectively address invasive species problems, however, it takes appropriate resources and a strong collaboration with our partners.

Watershed Restoration

Forests are key to clean water. Maintaining supplies of clean water and protecting watersheds were major reasons why public domain forests and rangelands were reserved, starting in the late 19th and early 20th centuries. About 80 percent of the Nation's freshwater resources originate on forests, which cover about one-third of the Nation's land area. National forest lands contribute 14 percent of the total national runoff. The forested land absorbs rain, refills underground aquifers, cools and cleanses water, slows storm runoff, reduces flooding, sustains watershed stability and resilience, and provides critical habitat for fish and wildlife. In addition to these ecological services, forests provide abundant water-based recreation and other benefits that improve the quality of life. The calculated marginal value of water from all national forest lands is about $3.7 billion per year.

The importance of clean water cannot be overstated. As stewards of much of the Nation's water supply, the USDA Forest Service has a responsibility to ensure that water resources are plentiful, available, and of high quality. National forest activities, however, have affected water quality and productivity of the land. Problem watersheds and processes are often masked by the size of the landscape, or are noticeable only when flooding or other disturbances occur. Although most watersheds on national forests appear healthy on a large scale, extensive localized rehabilitation needs still exist on these lands. The agency is working hard to identify and restore degraded watersheds to productive conditions.

Disturbances in forest and grassland vegetation from drought, wind, fire, insects, and pathogens occur even in properly functioning ecosystems in watersheds. Some past management practices—such as fire exclusion, poor timber harvesting practices, and human development—have created watersheds that experience more frequent or intense fire disturbances than in the past. Many of these forests and grasslands are overcrowded with increased susceptibility to drought and insect and disease outbreaks. In addition, the construction of high-density and insufficiently maintained road networks poses severe problems and risks for forest resources, both as land disturbance and as access routes that concentrate human activities and pollution.

Healthy ecosystems are an essential part of healthy watersheds. Watershed restoration includes recovering natural timber and grass stands and fuels composition, decommissioning and obliterating noncritical road systems, and restoring and protecting riparian and wetland areas.

Solutions to watershed issues and restoration require working collectively and collaboratively across mixed ownerships within the watersheds. By working collaboratively with other Federal and State agencies, local communities, private landowners, and organizations, the USDA Forest Service can restore watersheds to healthy and sustainable conditions.

Impacts from Transfer of Funds To Fight Fires

In FY 2002, the United States experienced the most expensive fire season in history. More than 6.7 million acres burned, nearly double the 10-year average. Colorado, Arizona, and Oregon experienced their largest fires in the last century. To combat fires nationwide, the USDA Forest Service transferred approximately $1 billion from discretionary and mandatory accounts to help cover fire suppression costs. As a result of these transfers, projects at all levels of the organization were deferred. Impacts are as follows:

Program or Fund	Amount Transferred
Research and Development	$23 million
State and Private Forestry	$77 million
National Forest System	$155 million
Wildland Fire Management	$95 million
Capital Improvement and Maintenance	$157 million
Land Acquisition	$143 million
Working Capital Fund	$95 million
Permanent Appropriations and Trust Funds *	$269 million

*Permanent Appropriations and Trust Funds include Knutson-Vandenberg (K-V), Salvage Sale, Timber Purchaser Elect, Brush Disposal, and Recreation Fee Demonstration Project funds.

The effect of FY 2002 transfers to support fire suppression requirements cannot be easily and fully quantified. Although a number of programs were able to accomplish their FY 2002 goals, there are significant impacts that will continue to be manifested in FY 2003 and beyond. Examples of impacts, though not inclusive, are illustrative of how transfers will affect USDA Forest Service programs.

Where funding is replenished in FY 2003, an extremely heavy workload would occur as limited agency personnel would be tasked with trying to meet procedural requirements for developing and awarding grants, agreements, and contracts. It is probable that accomplishments could be delayed until FY 2004 or later. Additionally, the extra workload would also fall on our cooperators, including States, territories, tribes, and nongovernmental organizations. For example, research agreements have been deferred, jeopardizing relationships with partners and reducing research capacity; one result is that some critical insect control work has been deferred.

Another example of impacts of fund transfers will be observable through delays in the National Environmental Policy Act (NEPA) process. In many cases, project environmental documentation had to be postponed due to fund transfers. This will have a ripple effect, causing certain projects to be delayed or even cancelled, thus affecting longer-term programmatic efforts. Loss of planning dollars for certain programs will have serious consequences and may result in court actions because of nonperformance. Further, if funding is not repaid, it could affect the necessary gathering of data and inventory information for specific NEPA documents.

The examples of agency-wide impacts will continue to be visible. With over 20 percent of the agency's entire budget being transferred to support fire suppression costs, the on-the-ground effect is major and long term. It will be manifested in many programmatic efforts that are either delayed or foregone in FY 2003 and beyond.

Financial and Program Accountability

Financial and program accountability is essential for the USDA Forest Service to achieve its commitment to land stewardship and public service. The agency, through aggressive efforts, continues to improve accountability in both areas. As a result, Congress, USDA Forest Service managers, and other agency stakeholders can evaluate agency programs and activities through relevant, reliable, and accurate information, including budget, accounting, and program data. Through continued focus of fiscal resources, additional improvement can be achieved.

These efforts have included implementing activities to comply with the Federal Managers' Financial Integrity Act (FMFIA), Chief Financial Officers Act of 1990, Government Performance and Results Act (GPRA), and the Federal Financial Management Improvement Act (FFMIA). Since FY 2000, the USDA Forest Service has been using the Foundation Financial Information System (FFIS), a U.S. Standard General Ledger-based financial management system fully compliant with Federal financial requirements. A new field-based Budget Formulation and Execution System (BFES) was implemented in FY 2001.

Financial management policies, business practices, and systems have been further updated over the past year as a basis for sustained improvement of records for all agency accounts, including more than $4 billion of property managed by the USDA Forest Service. Reconciliation teams were formed to improve the data integrity within the agency's accounting system. Through implementation of BFES and FFIS, and adherence to GPRA, the agency is moving forward with development of integrated processes and systems that provide linkages among the formulation of budgets, the accomplishment of work on the ground, and the associated cost of the work.

The USDA Forest Service must continue to further improve business and accounting processes and systems, as well as capitalize on the strengths of the new systems. To sustain the major efforts of FY 2002, the agency must continue to ensure that employees are fully trained in the various aspects of financial management policy; information about agency financial operations is readily available using a variety of reporting tools; and critical financial management processes, policies, and procedures are current, in place, and operating. Computer-based financial system availability has been expanded and better meets agency requirements. Some older systems that continue to feed data to FFIS, however, often do not meet current requirements for Federal financial management and need to be replaced or eliminated. This effort, led by the USDA, will continue for several years and will require a significant amount of agency resources to complete.

Through the agency's partnership with USDA Offices of the Chief Financial Officer and Inspector General and a private accounting firm over the past several years, agency records supporting real property and Fund Balance with the Department of the Treasury have been greatly improved. Monetary values for real property were established throughout the agency in FY 2001. The monetary value for real property assets is now auditable and provides the information necessary for the management of these assets. The Fund Balance with Treasury was reconciled as of September 30, 2001, to the balances maintained by the Treasury. Based on this action and the significant improvements in the development of policies, procedures, and reconciliation processes during FY 2002, the reconciliation of the Fund Balance with Treasury is now sustainable and auditable.

A National Fire Plan database to track, monitor, and account for NFP spending was implemented and used by the USDA Forest Service and other wildland fire management agencies to support reporting of accomplishments and activities. Recording of commitments to enhance funds control was successfully piloted on national contracts called up to support national fire suppression resources.

Efforts in FY 2002 have created the framework for a number of new initiatives that are scheduled for implementation in FY 2003. These include:

- Implementing tools to generate financial and performance reports from Web-based accounting databases;
- Continuing refinement and generation of quarterly status of funds analyses that track USDA Forest Service spending;
- Developing financial statements on a quarterly basis to facilitate upward reporting processes;
- Continuing evaluation of information requirements to further reduce the volume of data maintained in the USDA Forest Service general ledger system;
- Reducing data elements, which will result in less data to track, starting with FY 2003 budget planning; and
- More efficient handling of the agency's indirect costs to increase system performance while maintaining accountability.

Analysis of Agency Performance

Introduction

The USDA Forest Service fiscal year (FY) 2002 Annual Performance Plan committed the agency to delivering a range of natural resource-based benefits to the American people in accordance with the 2000 Strategic Plan goals and objectives. The USDA Forest Service 2000 strategic goals are as follows:

Goal 1 – Ecosystem Health
Goal 2 – Multiple Benefits to People
Goal 3 – Science and Technical Assistance
Goal 4 – Effective Public Service

The USDA Forest Service's responsibility as a natural resource management agency is to restore and maintain the health of the land. Through various programs, the USDA Forest Service manages and protects public lands, and provides technical and financial assistance to other governmental entities, nongovernmental organizations, private landowners, and others. The agency strives to provide exemplary service to its customers and to track its accomplishments through the annual performance plans. These plans are the basic management tools used to direct resources and implement key strategies and efforts in achieving long-term goals and objectives.

At the end of this section, a table lists performance goals and accomplishments of the USDA Forest Service during FY 2002 as measured against the goals established in the Annual Performance Plan for FY 2002. At the time of the audit, the agency did not have final accomplishments to report for some of the activities and outputs due to varied reporting cycles with cooperating agencies, mainly State programs of various authorities. Most of the accomplishments affected were within the Cooperative Forestry Staff of State and Private Forestry (S&PF) and report data on a calendar year basis.

Highlights

Several performance highlights are presented below to illustrate the progress the USDA Forest Service made during FY 2002 in "caring for the land and serving people."

National Fire Plan

During FY 2002, the National Fire Plan (NFP) program built on the accomplishments the USDA Forest Service made in FY 2001, the first year of the program. Much was accomplished, both internally and with cooperators. Fund transfers from NFP projects to support fire suppression, however, impacted projects in the S&PF, National Forest System (NFS), and Research and Development (R&D) deputy areas.

Approximately 1.3 million acres were treated for hazardous fuel reduction. In addition, NFP funds were used to treat fire-damaged lands through insect and pathogen suppression projects. Due to program impacts from the severe fire season, much of the work will be undertaken in the spring of 2003.

The *10-Year Comprehensive Strategy Implementation Plan* was signed by the Secretaries of Agriculture and the Interior, along with 17 State governors on May 23, 2002.

The USDA Forest Service, in cooperation with the Department of the Interior, collaborated with tribes and States and continued work to identify and prioritize fuel treatments. The groups focused on projects to reduce the wildland fire risk to wildland-urban interface communities. This effort is designed to bring together Federal and State land managers, local community leaders, and other partners to develop a cohesive strategy for protecting people and sustaining natural resources.

R&D projects in FY 2002 supported hazardous fuels reduction through the Joint Fire Science and Forest and Rangeland Research programs. Fuels reduction research focused on prioritizing areas for treatment; determining the impacts of treatments on wildlife, fish, and riparian areas; and developing new uses and systems for harvesting forest undergrowth and small-diameter trees. Other research is under way through R&D for key areas of the NFP.

Watershed Restoration

The USDA Forest Service developed and used watershed restoration business plans to direct and prioritize collaborative recovery efforts, establish accountability mechanisms, develop and strengthen public and private partnerships, identify on-the-ground work accomplishments, and provide direction in the development of annual reports for large-scale watersheds.

Collaborative watershed restoration efforts during FY 2002 resulted in many environmental improvements throughout the Nation. Examples include the improvement and reestablishment of riparian and wetland habitats; rehabilitation or obliteration of low-use and unused road networks; improvement of recreational sites and trails; restoration of wildlife and fisheries habitat; instream habitat improvement; stabilization of stream banks; and the production of traditional forest products, such as timber.

Invasive Species

Noxious weeds and other invasive species threaten forest and rangeland health nationwide. In FY 2002, aggressive actions were taken to control insect infestations such as gypsy moths in the East and Midwest, southern pine beetles in the South, and Douglas-fir tussock moths and bark beetles in the West. Treatments and research efforts were also made to control Sudden Oak Death disease and cheatgrass in the West, Formosan subterranean termites in the South, exotic pine shoot beetles in the Midwest and Northeast, and hemlock woolly adelgids in the Northeast and Northwest. Control actions have been undertaken on aquatic invasive species, such as the zebra mussel.

Financial Accountability

In FY 2002, the USDA Forest Service attained an unqualified audit opinion from the Office of Inspector General. This is the highest audit opinion attainable. The agency achieved this opinion through the hard work and dedication of employees at all levels of the organization. For more details, refer to Appendix B – *U.S. Department of Agriculture Office of Inspector General Financial and IT Operations Audit Report for FY 2002.*

Performance Management in the Future

In FY 2002, the USDA Forest Service began to move toward a new, outcome-oriented budget and planning structure that provides linkages among resources, program activities, and results. Future budgets will integrate data from the strategic goals and objectives and will demonstrate the consequences of various funding levels on actual on-the-ground work accomplished. A results-oriented budget and planning structure will provide the Congress, Department of Agriculture, USDA Forest Service leadership, and the public with a clearer understanding of the benefits attained through taxpayers' dollars that finance the management of agency programs.

The ability of the USDA Forest Service to effectively integrate budget and performance management depends on having appropriate measures, as well as collecting high-quality data to support these measures. In FY 2003, the USDA Forest Service will continue to refine accomplishment reporting requirements and the links to both the Budget Formulation and Execution System and the Foundation Financial Information System. The agency will focus on the relevancy, accuracy, and burden associated with data collection efforts and accounting codes used to charge costs of various activities.

Summary of FY 2002 Performance Measures

The tables on the following pages display revised performance activities and outputs for FY 2002. The USDA Forest Service FY 2002 Annual Performance Plan is based on the USDA Forest Service 2000 *Strategic Plan*. The table identifies activities and outputs by strategic objective as presented in the performance plan.

Most activities for FY 2002 shown in the table have verified accomplishments. To be consistent with the independent audit, those activities that were not verified at the time of audit remain unreported.

The effect of FY 2002 transfers to support fire suppression requirements cannot be easily and fully quantified. Although a number of programs were able to accomplish their FY 2002 goals (as shown in the following table), there are significant impacts which will continue to be manifested in FY 2003 and beyond. Examples of impacts, though not inclusive, are illustrative of how transfers will affect USDA Forest Service programs.

If funding is replenished in FY 2003, an extremely heavy workload would occur as limited agency personnel would be tasked with trying to meet procedural requirements for developing and awarding grants, agreements, and contracts. It is probable that accomplishments could be delayed until FY 2004 or longer. Additionally, the extra workload would also fall on our cooperators, including States, territories, tribes, and nongovernmental organizations. For example, research agreements have been deferred, jeopardizing relationships with partners and reducing research capacity; one result is that some critical insect control work has been deferred.

Another example of impacts of fund transfers will be observable through delays in the National Environmental Policy Act (NEPA) process. In many cases, project environmental documentation had to be postponed due to fund transfers. This will have a ripple effect, causing certain projects to be delayed or even cancelled, thus affecting longer-term programmatic efforts. Loss of planning dollars for certain programs will have serious consequences and may result in court actions because of nonperformance. Further, if funding is not repaid, it could affect the necessary gathering of data and inventory information for specific NEPA documents.

The examples of agency-wide impacts will continue to be visible. With over 20 percent of the agency's entire budget being transferred to support fire suppression costs, the on-the-ground effect is major and long term. It will be manifested in many programmatic efforts that are either delayed or foregone in FY 2003 and beyond.

STRATEGIC GOAL 1: ECOSYSTEM HEALTH

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Tota—All Funding Sources*
1A							
Maintain and improve watershed conditions—Acres improved	35,562	29,899	31,863	21,256	Not Verified[a/]	NR[b/]	Not Verified
Manage environmental compliance and protection	NR	52	110	23 [c]	43 [c/]	187%	43
Manage grazing allotments—Number of grazing allotment acres administered to 100% of standard	NR	45,225,600	44,010,000	21,016,978	21,016,978	100%	21,016,978
Decommission classified and unclassified roads—Miles decommissioned	2,907	2,545	2,164	1,307	734	56%	734
Administer mineral operations—Number of operations administered	9,189	NR	8,254	13,329	8,298	62%	8,300
1B							
Manage stream habitat—Miles of stream enhanced	2,194	1,687	2,193	1,919	2,001	104%	2,416
Manage lake habitat—Acres of lake enhanced	16,346	18,147	18,428	15,694	18,217	116%	22,207
Manage terrestrial habitat—Acres of terrestrial habitat enhanced	266,774	192,373	241,123	247,013	209,472	85%	607,032
Land impacted for the management and conservation of migratory species—Acres of migratory habitat impacted	NR	75,000	150,000	150,000	NR	N/A[d]	NR
1C							
Plan regular timber sales—Approved NEPA[e] documents through appeals and litigation [f/]	NR	NR	NR	NR	NR	N/A	NR
Plan salvage timber sales—Approved NEPA documents through appeals and litigation [f/]	NR	NR	NR	NR	NR	N/A	NR

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
1C (continued)							
Prepare regular timber sales—Hundred cubic feet (CCF) of timber volume offered [g/]	2,984,558	2,223,952	2,035,164 [h/]	3,073,824	2,185,546	71%	2,185,546
Prepare salvage timber sales—Salvage timber volume offered (CCF) [g]	1,381,345	997,119	1,347,181 [h]	1,092,757	1,169,885	107%	1,169,885
Administer total timber sales—Timber volume harvested (CCF) [i/]	5,877,142	5,084,853	3,530,158	3,774,952	3,402,989	90%	3,402,989
Manage noxious weeds—Acres treated	87,000	121,946	143,938	105,554	130,868	124%	159,923
Mitigate hazardous fuels—Nonwildland-urban interface (acres mitigated) [j/]	1,421,281	772,375	750,146	551,346	493,536	90%	493,536
Mitigate hazardous fuels—wildland-urban interface (acres mitigated) [j/]	---	---	611,551	800,622	764,367	95%	764,367
Develop control strategies for foreign based invasive species—Number of projects	NR	4	8	8	8	100%	8
National Fire Plan—Forest land rehabilitation and restoration—Number of rehabilitation and restoration projects	N/A	N/A	329	436	506	116%	506

[a/] Data not verified at time of audit.
[b/] NR = Not reported or not required.
[c/] Includes only completed cleanups and environmental compliance audits. Prior years included studies and design work.
[d/] N/A = Not applicable.
[e/] NEPA = National Environmental Policy Act.
[f/] Data not gathered on this activity; will be dropped in FY 2003.
[g/] Activity titles changed from FY 2002 Annual Performance Plan to reflect outputs separately for regular and salvage timber sales programs. For total program, amount must be combined.
[h/] Includes FY 2000 carryover volumes.
[i/] "Administer total timber sales" includes regular and salvage volumes. Data for FY 1999 and FY 2000 were derived from actual board foot volumes reported, using a national average ratio of 5 board feet per cubic foot.
[j/] For FY 1999 and FY 2000, total treatment acres are reported.

STRATEGIC GOAL 2: MULTIPLE BENEFITS TO PEOPLE

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
2A							
Operate developed sites—Number of PAOT [a/] days operated to standard	NR [b/]	75,000,000	80,000,000	96,015,369	94,048,707	98%	98,113,981
Manage general forest areas—Number of days managed to standard	NR	219,000	235,000	2,147,058	2,203,978	103%	2,214,313
Provide interpretation and education (recreation)—Number of products provided to standard	NR	34,000	34,000	17,584	13,924	79%	14,256
Administer recreation special use authorizations—Number administered to standard	NR	1,227	1,225	12,495	14,243	114%	14,243
Provide interpretation and education (wildlife)—Number of products provided to standard	NR	2,885	2,885	2,651	3,886	147%	3,886
2B							
Manage wilderness—Number of wilderness areas managed to standard	NR	39	39	101	105	104%	105
Manage heritage resources—Number of heritage resources managed to standard	NR	4,000	4,000	7,037	6,906	98%	6,914
Manage air quality—Acres monitored [c/]	NR	7,964,000	7,964,000	13,813,023	NR	N/A [d/]	NR
Manage air quality—Sites inventoried	0	23	29	30	30	100%	30
Manage air quality—Sites monitored	35	35	35	35	35	100%	35
Manage air quality—PSD [e/] permit applications reviewed	60	65	102	100	Not Verified [f/]	NR	Not Verified
Manage air quality—Number of monitoring sites reporting improved or stable air quality	NR	34	34	34	34	100%	34

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
2C							
Monitor forest plans—Reports completed	101	87	104	119	92	77%	92
Plan timber sales—Approved NEPA documents through appeals and litigation [g]	NR	NR	NR	41	NR	N/A	NR
Plan salvage timber sales—Approved NEPA documents through appeals and litigation [g]	NR	NR	NR	NR	NR	N/A	NR
Prepare timber sales—Hundred cubic feet (CCF) of timber volume offered [h]	2,984,558	2,223,952	2,035,164 [i/]	3,073,824	2,185,546	71%	2,185,546
Prepare salvage timber sales—Salvage timber volume offered (CCF) [h]	1,381,345	997,119	1,347,181 [i/]	1,092,757	1,169,885	107%	1,169,885
Administer total timber sales—Timber volume harvested (CCF) [j/]	5,877,142	5,084,853	3,530,158	3,774,952	3,402,989	90%	3,402,989
Administer special forest products (nonconvertible)—Number of permits administered	NR	NR	NR	221,453	NR	NR	NR
Establish vegetation—Acres established [k]	268,520	217,215	195,593	NR	160,814	N/A	160,814
Improve forest and rangeland vegetation—Acres improved	NR	NR	4,539,798	1,926,499	170,044 [l/]	9%	170,044
Preparation of allotment NEPA—Number of grazing allotments with signed decision documents	464	354	184	367	Not Verified [f/]	NR	Not Verified
Process mineral operation proposals—Number of mineral operations proposals processed	12,247	11,171	7,931	8,670	8,328	96%	8,328
Provide geologic services—Number of reports completed	NR	NR	NR	1,020	1,048	103%	1,091
Adjust land ownership—Acres adjusted	337,396	75,295	35,132	20,174	15,553	77%	15,553
Administer land use authorizations—Number of authorizations administered to standard	18,726	12,108	12,907	10,011	11,498	115%	11,498
Process land use proposals—Number of land use proposals processed	5,984	3,907	3,870	2,303	2,791	121%	2,791
Protect land ownership title—Total number of encroachments and title claims with formal activities	332	263	292	498	441	89%	441
Survey boundary lines—Miles of boundary line marked/maintained	3,102	2,880	3,187	2,637	2,455	93%	2,552
Purchase land—Acres acquired	151,439	139,445	128,913	62,796	42,817	68%	42,817

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
2C (continued)							
Conserve environmentally important forests threatened by conversion to nonforest uses—Legacy projeet aequisition (acres)	19,281	31,263	84,709	200,000	57,009	29%	57,009
Assist through States in the implementation of nonindustrial private forest lands (N1PF) stewardship management plans—Aeres under N1PF plans	1,866,000	1,437,360	1,616,986	1,407,800	1,640,000	116%	1,640,000
2D: No activities or outputs identified in the FY 2002 Performance Plan							
2E							
Address eommunity and metropolitan area natural and environmental needs—Number of participating communities	10,514	10,547	11,021	10,500	11,686	155%	11,686

[a]/ PAOT = persons at one time.
[b]/ NR=Not reported or not required.
[c]/ Outputs were ehanged in FY 2002 from aeres to number of sites, which are more reliable for eounting and verifieation purposes.
[d]/ N/A = Not applicable.
[e]/ PSD = prevention of signifieant deterioration.
[f]/ Data not verified at time of audit.
[g]/ Data not gathered on this activity; will be dropped in FY 2003.
[h]/ Activity titles ehanged from FY 2002 Annual Performanee Plan to reflect outputs separately for regular and salvage timber sales programs. For total program, amount must be eombined.
[i]/ Ineludes FY 2000 earryover volumes.
[j]/ "Administer total timber sales" includes regular and salvage volumes. Data for FY 1999 and FY 2000 were derived from aetual board foot volumes reported, using a national average ratio of 5 board feet per eubie foot.
[k]/ Changed from what was previously reported to include all aceomplishments, not just those with appropriated dollars.
[l]/ Accomplishment reported is for TSI only; range aeeomplishments are not reported.

STRATEGIC GOAL 3: SCIENCE AND TECHNICAL ASSISTANCE

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
3A							
Provide assistance to communities—Number assisted	2,450 [a/]	2,450 [a/]	121	660	768	116%	768
Provide assistance to volunteer fire departments—Number assisted	2,450 [a/]	2,450 [a/]	871	2,522	1,134	45%	1,134
Assist natural resource-dependent rural communities and businesses—Number of communities working under broad-based local strategic plans	740	928	959	960	970	101%	970
Assist Pacific Northwest (PNW) natural resource-dependent rural communities and businesses—Number of PNW communities working under broad-based local strategic plans	248	219	231	329	240	73%	240
National Fire Plan—Cooperative fire protection; State fire assistance to communities	N/A [b/]	N/A	1,070	1,928	1,795	93%	1,795
National Fire Plan—Cooperative fire protection; Cooperative fire assistance to volunteer fire departments	N/A	N/A	1,001	4,120	2,647	64%	2,647
National Fire Plan—Cooperative Forestry, Economic Action Program—Assist natural resource-dependent rural communities and businesses.[c]	N/A	N/A	NR [d]	NR	222	N/A	222
3B: No activities or outputs identified in the FY 2002 Performance Plan							
3C							
Create/revise forest plans—Number of plans created/revised [e]	11	5	8	7	6	86%	6
Maintain forest plans—Number of plans amended	NR	15	82	91	198	218%	198
Conduct assessments—Number of assessments completed	169 [f/]	130 [f/]	154	142	134	94%	134
Conduct above-project level inventories—Millions of acres of above-project level inventories completed	63.8 [f/]	58.7 [f/]	124	NR	30.4	N/A	30.4

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
3C (continued)							
Conduct research on vegetation management and protection—Number of research products, tools, and technologies [g/]	NR	3,359	2,966	NR	NR	N/A	NR
Conduct research on wildlife, fish, water, and air—Number of research products, tools, and technologies [g/]	NR	1,680	1,426	NR	NR	N/A	NR
Conduct research on resource valuation and use—Number of research products, tools, and technologies [g/]	NR	1,478	1,084	NR	NR	N/A	NR
Collect, analyze, and publish forest resource inventory and monitoring data—Number of research products, tools, and technologies [g/]	NR	202	228	NR	NR	N/A	NR
Conduct research—Number of research products, tools, and technologies	NR	NR	NR	NR	8,429	N/A	8,429
Forest Inventory and Analysis (FIA)—Percent of forest lands covered by the annual FIA program [h]	NR	42%	65%	73%	73%	100%	73%
Conduct forest inventory and analysis—Number of research products, tools, and technologies [h/]	NR	NR	NR	NR	402	N/A	402
Collect, analyze, and publish forest resource inventory and monitoring data	NR	0%	7%	7%	Not Verified [i/]	NR	Not Verified

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual—Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total—All Funding Sources*
3C (continued)							
Protect Federal lands from insects, diseases, and exotic plants—Forest health protected on Federal lands (thousand acres)	NR	175,000	198,000	1,000	302	30%	302
Protect cooperative lands from insects, diseases, and exotic plants—Forest health protected on cooperative lands (thousand acres)	NR	562	417	700	950	136%	950
National Fire Plan—Forest health management on Federal and cooperative lands—Forest health protected on Federal and cooperative lands (acres)	---	0	Not Verified [i/]	Not Verified [i/]	423,000	N/A	423,000
National Fire Plan—Vegetation management and protection research—Number of research products, tools, and technologies developed	---	0	63	500	783	NR	783
3D: No activities or outputs identified in the FY 2002 Annual Performance Plan							

[a]/ In FY 1999 and FY 2000, the amount reported is the total for both activities for each year. An error in tracking accomplishments in FY 2000 resulted in underreporting. These numbers were revised upwards from what was reported in the FY 2000 Annual Performance Report.

[b]/ N/A = Not applicable.

[c]/ Funding is for technical and financial assistance to communities to assist with recovery from the effects of wildland fires. Output measures for FY 2001 and FY 2002 do not directly relate to the accomplishments achieved; not all accomplishments are measured.

[d]/ NR = Not reported or not required.

[e]/ Starting in FY 2002, output reports the number of revised plans completed in a given year. In previous years, output reported the number of plans under review.

[f]/ A change in how the measures are calculated occurred in FY 2001. The data for FY 1999 and FY 2000 have been changed to reflect the new definition.

[g]/ These activities have been rolled into the activity—"Conduct research—Number of research products, tools, and technologies."

[h]/ "Conduct forest inventory and analysis—Number of research products, tools, and technologies" replaces "Forest Inventory and Analysis—Percent of forests covered by the annual FIA program" for future reporting.

[i]/ Data not verified at time of audit.

STRATEGIC GOAL 4: EFFECTIVE PUBLIC SERVICE

Activities and Outputs by Strategic Objective	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual— Appropriated Funds*	*FY 2002 Percent Accomplished*	*FY 2002 Total— All Funding Sources*
4A: No activities or outputs identified in the FY 2002 Annual Performance Plan							
4B							
Enforce National Forest System Drug Control Act—Number of cannabis plants eradicated	NR [a]	733,427	733,427	734,000	396,880 [b]	54%	396,880
Enforce laws and regulations—Enforcement capability (percent)	28	30	44	44	50	114%	50
Investigate crime—Investigative capability (percent)	49	51	43	43	72	167%	72
Maintain facilities—Facilities Condition Index	---	---	NR [c]	NR [c]	63	N/A [d]	63
Improve facilities—Number of projects completed.	62	73 [e]	72 [e]	110 [f]	61 [f]	55%	61
Maintain transportation system (passenger car roads)—Miles maintained to objective standard	NR	51,733	30,056	23,337	27,499	118%	27,499
Maintain transportation system (high clearance and closed roads)—Miles maintained to objective standard	NR	69,984	51,576	29,011	49,299	170%	49,299
Improve transportation system (roads)—Miles of road capital improvement to objective maintenance level	NR	612	370	1,130	1,131	100%	1,131
Maintain transportation system (trails)—Miles of trails maintained to standard	NR	24,065	40,800	26,502	30,649	116%	35,925
Improve transportation system (trails)—Miles of trail improvement to standard	NR	1,510	1,245	1,169	1,159	99%	1,422
National Fire Plan—Maintain and improve USDA Forest Service fire facilities—Number of projects completed	---	0	107	44	10	23%	10
4C: No activities or outputs identified in the FY 2002 Annual Performance Plan							
4D: No activities or outputs identified in the FY 2002 Annual Performance Plan							
4E: No activities or outputs identified in the FY 2002 Annual Performance Plan							
4F: No activities or outputs identified in the FY 2002 Annual Performance Plan							

[a]/ NR–Not reported or not required.
[b]/ Marijuana eradication extends beyond the fiscal year; amount reported is for calendar year 2002 through September 30, 2002.
[c]/ Protocol was under development and targets were not assigned.
[d]/ N/A–Not applicable.
[e]/ Does not include the number of recreation projects in FY 2000 and FY 2001.
[f]/ Includes major Capital Improvement Projects (CIP) only. Some projects were not awarded due to transfer of funds for wildland fire suppression costs.

Analysis of Agency's Financial Position

The USDA Forest Service annually produces a series of financial statements to summarize the financial activity and associated financial position of the agency. The principal statements include the Consolidated Balance Sheet, Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and Consolidated Statement of Financing. The agency's goal in producing these statements is to provide relevant, reliable, and accurate financial information about USDA Forest Service activities. The USDA Forest Service received a waiver for producing comparative statements for fiscal year (FY) 2001 and FY 2002. Through analysis of the agency's FY 2002 financial statements, the following key points are highlighted.

Assets

The USDA Forest Service reports $6.9 billion in assets at the end of FY 2002, of which 99.53 percent is classified primarily in three major categories. First, 56.6 percent is General Property, Plant and Equipment (General PP&E)—primarily forest road surface improvements, culverts, bridges, campgrounds, administrative buildings, other structures, and equipment. Second, 41.1 percent is fund balances with the Department of the Treasury—primarily funds derived from congressional appropriations and funds held in trust for accomplishing purposes specified by law. Third, 2 percent, or approximately $122 million, is accounts receivable—primarily amounts due from other Federal entities or the public as a result of the delivery of goods and services, and specific activities performed by the USDA Forest Service.

The approximately $3.9 billion of General PP&E includes assets acquired by the USDA Forest Service to be used for conducting business activities, such as providing goods or services. General PP&E does not include the value of heritage assets (agency assets that are historical or significant for their natural, cultural, aesthetic, or other importance and generally are expected to be preserved indefinitely) or the value of stewardship assets (primarily land held by the agency as part of the National Forest System (NFS) and not acquired for, or in connection with, other General PP&E). Although heritage and stewardship assets may be considered as priceless, they do not have a readily identifiable financial value and are not recorded within the financial statements of the USDA Forest Service. An in-depth discussion of stewardship assets is presented in Appendix D— Required Supplementary Stewardship Information.

Fund balances of approximately $2.8 billion recorded with the Department of the Treasury (congressional appropriations and trust funds) are available to the agency to pay authorized expenses and finance purchase commitments.

Liabilities and Net Position

The USDA Forest Service reported $2.2 billion in liabilities at the end of FY 2002, representing probable future expenditures arising from past events. Federal agencies, by law, cannot make any payments unless Congress has appropriated funds for such payments. A portion of liabilities reported by the USDA Forest Service for FY 2002, however, is currently not funded by congressional appropriations. For example, 27 percent ($599 million) consists of unfunded amounts needed to pay employees for annual leave they have earned but not yet taken and Federal Employees' Compensation Act benefits that have accrued to employees for death, disability, medical, and other approved costs that have not been paid. Additionally, $54 million of the reported liabilities are custodial liability funds that belong to non-USDA Forest Service

entities. A majority of this amount is funds for payments to States. These amounts are held by the agency in special receipt accounts pending transfer to an appropriate party.

A net position of $4.65 billion is reported for FY 2002, consisting of 56.7 percent ($2.7 billion) for unexpended appropriations consisting of undelivered orders as well as unobligated funds and 43.3 percent ($2.0 billion) as the cumulative results of operations. Unexpended appropriations reflect spending authority made available by congressional appropriation that has not yet been used. Cumulative results of operations reflect the cumulative effect of excess financing over expenses for a budget account since its inception.

Revenues

The USDA Forest Service reported approximately $541 million of earned revenue before elimination and $323 million after elimination during FY 2002. The majority of earned revenues received arise from two sources: providing goods and services and reimbursable activities. Goods and services include such items as the sale of forest products (timber and firewood); recreational opportunities (campgrounds); mineral resources; livestock grazing; and special land use fees for power generation, resorts, and other business activities conducted on NFS lands. Reimbursable activities include work completed for individuals and businesses cooperating with the agency, as well as work completed for other Federal agencies, mainly in accordance with the Economy Act.

The USDA Forest Service distributes a portion of earned revenues to eligible States in accordance with existing law. In FY 2002, approximately $375 million of FY 2001 receipts were distributed to 41 States and Puerto Rico in accordance with the Secure Rural Schools and Community Self-Determination Act of 2000. This funding benefits public schools and roads in communities hosting national forests and pays for local forest stewardship projects.

Expenses

The FY 2002 Net Cost of Operations for the USDA Forest Service indicates the impact of deducting earned revenues from program costs. The net operating costs for the agency were $5.4 billion. An analysis of the $5.9 billion of total gross program costs before eliminations shows that approximately 54 percent ($3.2 billion) was associated with the National Forests and Grasslands. The Forest and Rangeland Research program accounted for approximately 4 percent ($250 million). The State and Private Forestry (S&PF) program accounted for approximately 5 percent ($290 million). The Fire and Aviation Management program accounted for approximately 36 percent ($2.1 billion), which includes emergency wildfire suppression activities. The Working Capital Fund (WCF) program costs amounted to $143 million before elimination and -$76 million after elimination.

Budgetary Resources

The USDA Forest Service had budget authority of approximately $5.1 billion in FY 2002. These are general Government funds administered by the Department of the Treasury and appropriated for the agency's use by Congress. A portion of the appropriation, $474 million, was designated by Congress to repay agency funds transferred from other accounts in FY 2000 and FY 2001 for emergency wildland fire management requirements. The agency must routinely exercise its statutory authority to transfer from other funds available to fight wildland fires. When such transfers take place, the agency requests appropriations from Congress to repay transferred funds in order to accomplish the purpose for which the funds were first provided.

Financial Management Controls

This section of the Management's Discussion and Analysis (MD&A) provides information on the USDA Forest Service's compliance with the:

- Federal Managers' Financial Integrity Act (FMFIA);
- Inspector General Act Amendments (Audit Followup); and
- Federal Financial Management Improvement Act (FFMIA).

Financial Systems and Controls

The FMFIA requires agencies to annually provide a statement of assurance regarding the effectiveness of management, administrative and accounting controls, and financial management systems.

The USDA Forest Service believes that maintaining integrity and accountability in all programs and operations is critical for good government; demonstrates responsible stewardship over assets and resources entrusted to our care; ensures high-quality, responsible leadership; ensures the sound delivery of services to our customers; and maximizes desired program outcomes.

New efforts are under way to improve timely implementation and closure of audit recommendations. For FY 2002, the USDA Forest Service is reporting two new material weaknesses, Financial Management Internal Control and Computer Security, and updating the status of four open material weaknesses under Section Two of FMFIA. The USDA Forest Service is requesting closure of three material weaknesses and one financial system nonconformance.

The following table shows significant progress by the USDA Forest Service in aggressively pursuing initiatives to fully integrate the accounting system, link all financial systems electronically, and provide data integrity and consistency.

Management Controls: Federal Managers' Financial Integrity Act	
Section Two Material Weaknesses	**Correction Date**
Timber Sale Administration	Requesting closure in FY 2003
Financial System	Completion of all corrective actions in FY 2003
Special Use Permits	Published its Categorical Exclusions Regulation for Special Uses Actions in the Federal Register for notice and comments; Completion of all corrective actions in FY 2003
Personal Property	Requesting closure in FY 2003
Contracting	Requesting closure in FY 2003
Performance Reporting	New measures implemented in FY 2002; Completion of all corrective actions in FY 2004
Timber Sale Environmental Analysis	Developed an Administrative Control Plan in FY 2001; Completion of all corrective actions in FY 2004
Financial Management Internal Controls	Completion of corrective actions in FY 2003
Computer Security	Completion of corrective actions in FY 2003
Section Four System Nonconformances	**Correction Date**
Real Property Management Information System	Requesting Closure in FY 2003

Management Followup to OIG/GAO Recommendations

The USDA Forest Service continues to resolve open audit recommendations. As of September 30, 2002, the USDA Forest Service has 28 audits with 139 open recommendations that are 1 year old and older.

Financial Management

The USDA Forest Service has aggressively acted to correct the agency's financial systems, thereby improving the quality of financial data. FY 2002 marks the third year using the Foundation Financial Information System (FFIS), which is fully compliant with Federal financial requirements and incorporates the U.S. Standard General Ledger.

Federal Financial Management Improvement Act Compliance

The FFMIA of 1996 requires that Federal agencies use the U.S. Standard General Ledger, comply with Federal accounting standards, and establish financial management systems that support full disclosure of financial data, including the full cost of Federal programs and activities. If an agency is not in compliance with these requirements, the FFMIA requires that the agency head establish a remediation plan to bring the agency's financial management systems into substantial compliance.

FY 2002 Remediation Plan

For FY 2001, the Office of Inspector General (OIG) reported in its opinion of the USDA Forest Service's financial statements that the agency's financial management systems were in noncompliance in the areas listed in the following table:

FFMIA Requirement	Area of Noncompliance	Target Completion Date
1. All feeder systems are integrated or electronically interfaced with the core financial system.	1. INFRA Real Property subsystem is not interfaced with the FFIS.	TARGET COMPLETED
2. Internal controls over data entry, transaction processing, and reporting shall be applied consistently throughout the system to ensure the validity of information and the protection of Federal Government resources.	2.a. General ledger adjustments were made so that FFIS account balances would agree with Treasury records.	December 31, 2002
	2.b. Inaccurate posting models, which were established by the USDA Office of the Chief Financial Officer Associate CFO for Financial Systems, resulted in erroneous general ledger account balances.	TARGET COMPLETED
	2.c. Invalid obligations and payables were entered into FFIS.	TARGET COMPLETED

FFMIA Requirement	Area of Noncompliance	Target Completion Date
2. (Continued)	Audit trails and support for billings and receivables are inadequate. Field units did not obtain monthly listings to verify the accuracy and validity of accounts receivable. Amounts were reported as accounts receivable even though not valid. Some accounts receivable transactions were duplicated.	TARGET COMPLETED
3. Agency financial management systems shall enable the agency to prepare, execute, and report on the agency's budget in accordance with OMB Circulars A-11, A-34, and other OMB circulars and bulletins.	3. USDA Forest Service violated the Anti-Deficiency Act in FY 2000 by overobligating Wildland Fire Management appropriations.	TARGET COMPLETED
4. Adequate training and user support shall be provided to the users of financial management systems.	4. USDA Forest Service users lacked specific training on setting up agreements in the Project Cost Accounting System and in processing billings and advance liquidation documents.	December 31, 2002
5. Financial management systems shall provide financial reports in a timely and useful fashion.	5. USDA Forest Service should develop and utilize monthly reports, which are more helpful to field units.	TARGET COMPLETED

FY 2003 Remediation Plan

At the time this section of the report was finalized, the FY 2002 auditor's opinion has not been issued. No material weaknesses, reportable conditions, or issues of noncompliance have been identified, so the USDA Forest Service's remediation plan is pending. When the auditor's report is issued, it will be included in the *Report of the Forest Service* as Appendix B.

Limitations of Financial Statements

Pursuant to the requirements of the Chief Financial Officer's Act of 1990, as amended by the Government Performance and Results Act, the USDA Forest Service prepared financial statements to report the financial position and results of USDA Forest Service operations. The FY 2002 financial statements consist of the Consolidated Balance Sheet, Consolidated Statement of Net Cost, Consolidated Statement of Change in Net Position, Combined Statement of Budgetary Resources, Consolidated Statement of Financing, Required Supplementary Stewardship Information, and Required Supplementary Information.
The following limitations apply to the preparation of the FY 2002 financial statements:

- The USDA Forest Service prepared the financial statements to report the financial position and results of operations of the organization, pursuant to the requirements of 31 U.S.C. 3515 (b).
- While the agency prepared the statements from the books and records of the entity in accordance with the formats prescribed by the Office of Management and Budget (OMB), the statements are different from the financial reports used to monitor and control budgetary resources that are prepared from the same books and records.
- The statements should be read with the realization that they are for a component of a sovereign entity. Liabilities not covered by budgetary resources cannot be liquidated without the enactment of an appropriation. Payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

Appendix A—Principal Financial Statements and Notes, FY 2002

Consolidated Balance Sheet
Consolidated Statement of Net Cost
Consolidated Statement of Changes in Net Position
Combined Statement of Budgetary Resources
Consolidated Statement of Financing
Notes to the Principal Financial Statements

U.S. Department of Agriculture
Forest Service
CONSOLIDATED BALANCE SHEET
As of September 30, 2002
(In Thousands)

Assets:		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	$	2,824,948
Accounts Receivable, (Note 4)		66,110
Investments		2,040
Advances to Others		30
Total Intragovernmental		2,893,128
Cash		73
Accounts Receivable, Net (Note 4)		55,626
Inventory and Related Property, Net		22,207
General Property, Plant & Equipment, Net (Note 6)		3,890,915
Advances to Others		7,763
Total Assets (Note 2)	**$**	**6,869,712**
Liabilities:		
Intragovernmental:		
Accounts Payable	$	988
Other (Note 8)		545,577
Total Intragovernmental		546,565
Accounts Payable		374,537
Environmental and Disposal Liabilities		7,069
Other (Note 8)		1,287,614
Total Liabilities (Note 7)		**2,215,785**
Net Position:		
Unexpended Appropriations		2,638,108
Cumulative Results of Operations		2,015,819
Total Net Position		**4,653,927**
Total Liabilities and Net Position	**$**	**6,869,712**

The accompanying notes are an integral part of these statements.

U.S. Department of Agriculture
Forest Service
CONSOLIDATED STATEMENT OF NET COST
For the Year Ended September 30, 2002
(In Thousands)

Intragovernmental Gross Costs	$	679,311
Less: Intragovernmental Earned Revenues		(170,095)
Intragovernmental Net Costs		509,216
Gross Costs With the Public		
Grants		606,678
Indemnities		11,510
Stewardship Land Acquisition		107,593
Operating Costs		3,698,369
Depreciation Expense		300,360
Reimbursable Costs		190,093
Other		133,578
Less: Earned Revenue from the Public		(152,626)
Net Costs with the Public		4,895,555
Net Cost of Operations (Notes 10 and 13)	**$**	**5,404,771**

The accompanying notes are an integral part of these statements.

U.S. Department of Agriculture
Forest Service
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2002
(In Thousands)

	Results of Operations	Unexpended Appropriations
Beginning Balances	3,452,585	2,847,662
Prior Period Adjustments (Note 12)	(1,375,243)	-
Beginning Balances, as adjusted	2,077,342	2,847,662
Budgetary Financing Sources:		
Appropriations Received	-	1,278,935
Appropriations Transferred-in/out	-	(161,063)
Other Adjustments (rescissions, etc.)	-	3,497,097
Appropriations Used	4,855,441	(4,824,523)
Transfers in/out without Reimbursement	320,722	-
Other Financing Sources:		
Donations and Forfeitures of Property	4,280	-
Transfers in/out without Reimbursement, Net	(41,332)	-
Imputed Financing	188,824	-
Other	15,313	-
Total Financing Sources	5,343,248	(209,554)
Net Cost of Operations	5,404,771	-
Ending Balances	**2,015,819**	**2,638,108**

The accompanying notes are an integral part of these statements.

U.S. Department of Agriculture
Forest Service
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the Year Ended September 30, 2002
(In Thousands)

Budgetary Resources:		
Budget Authority:		
Appropriations Received	$	5,095,687
Net Transfers		(102,407)
Unobligated Balance:		
Beginning of Period (Note 15)		1,251,351
Net Transfers, Actual		110,006
Spending Authority from Offsetting Collections:		
Earned		
Collected		883,972
Receivable from Federal Sources		(157,139)
Change in Unfilled Customer Orders		
Advance Received		(42,179)
Without Advance from Federal Sources		26,379
Subtotal		711,034
Recoveries of Prior Year Obligations		68,289
Permanently not Available		(18,568)
Total Budgetary Resources	$	7,115,392
Status of Budgetary Resources:		
Obligations Incurred (Note 14):		
Direct	$	5,217,161
Reimbursable		685,845
Subtotal		5,903,006
Unobligated Balance:		
Apportioned		897,946
Exempt from Apportionment		(4,817)
Unobligated Balance Not Available		319,258
Total Status of Budgetary Resources	$	7,115,392
Relationship of Obligations to Outlays:		
Obligated Balance, Net, Beginning of Period (Note 15)	$	1,496,066
Obligated Balance, Net, End of Period:		
Accounts Receivable		(91,873)
Unfilled Customers Orders from Federal Sources		(146,088)
Undelivered Orders		984,926
Accounts Payable		426,709
Outlays:		
Disbursements		6,287,869
Collections		(841,793)
Subtotal		5,446,076
Less: Offsetting Receipts		851,463
Net Outlays	**$**	**4,594,613**

The accompanying notes are an integral part of these statements.

U.S Department of Agriculture
Forest Service
CONSOLIDATED STATEMENT OF FINANCING
For the Year Ended September 30, 2002
(In Thousands)

Resources Used to Finance Activities:	
Budgetary Resources Obligated	
Obligations Incurred	$ 6,065,323
Less: Spending Authority from Offsetting Collections and Recoveries	797,742
Obligations Net of Offsetting Collections and Recoveries	5,267,581
Less: Offsetting Receipts	851,407
Net Obligations	4,416,174
Other Resources	
Donations and Forfeitures of Property	4,280
Transfers In/Out without Reimbursement	(41,332)
Imputed Financing from Costs Absorbed by Others	188,824
Other	15,313
Net Other Resources Used to Finance Activities	167,085
Total Resources Used to Finance Activities	4,583,259
Resources Used to Finance Items Not Part of the Net Cost of Operations:	
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	165,858
Resources That Fund Expenses Recognized in Prior Periods	(162,916)
Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations	(162,259)
Resources that Finance the Acquisition of Assets	(1,082,292)
Other Resources or Adjustments to Net Obligated Resources that Do Not Affect Net Costs of Operations	505,217
Total Resources Used to Finance Items Not Part of the Net Cost of Operations	(736,392)
Total Resources Used to Finance the Net Cost of Operations	5,319,651
Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period:	
Components Requiring or Generating Resources in Future Periods:	
Increase in Annual Leave Liability	6,755
Increase in Exchange Revenue Receivable from the Public	(266,142)
Other	2,540
Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods (Note 18)	(256,847)

CONSOLIDATED STATEMENT OF FINANCING
(Continued)

Components Not Requiring or Generating Resources:	
Depreciation and Amortization	300,360
Revaluation of Assets or Liabilities	40,804
Other	803
Total Components of Net Cost of Operations That Will Not Require or Generate Resources	341,967
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	85,120
Net Cost of Operations	**$ 5,404,771**

The accompanying Notes are an integral part of the Financial Statements

Note 1. Significant Accounting Policies

A. Reporting Entity

The USDA Forest Service was established on February 1, 1905, as an agency of the United States, within the U.S. Department of Agriculture (USDA), for the purpose of maintaining and managing the Nation's forest reserves. It operates under the guidance of the Under Secretary for Natural Resources and Environment (NRE). The USDA Forest Service policy is implemented through nine regional offices, six research offices, one State and Private Forestry (S&PF) area office, the Forest Products Laboratory (FPL), and the International Institute of Tropical Forestry (IITF), with 868 administrative units functioning in 44 States, Puerto Rico, and the Virgin Islands.

The USDA Forest Service's mission includes the following major segments:

- National Forests and Grasslands—Protection and management of approximately 192 million acres of National Forest System (NFS) land, which includes 34.8 million acres of designated wilderness areas. In addition, the USDA Forest Service partners with other nations and organizations to foster global natural resource conservation and sustainable development of the world's forest resources.
- Forest and Rangeland Research—Research and development of forestry and rangeland management practices to provide scientific and technical knowledge for enhancing and protecting the economic productivity and environmental quality of the Nation's 1.6 billion acres of forests and associated rangelands.
- State and Private Forestry—Utilization of cooperative agreements with State and local governments, tribal governments, forest industries, and private landowners to help protect and manage non-Federal forests and associated rangeland and watershed areas.
- Fire and Aviation Management (FAM)—The Fire and Aviation Management program protects life, property, and natural resources on the 192 million acres of NFS land, and covers an additional 20 million acres of adjacent State and private land.
- Working Capital Fund (WCF)—The WCF is used for the purchase or construction of buildings and improvements, as well as for furnishing supply and equipment services in support of USDA Forest Service programs.

The accompanying financial statements of the USDA Forest Service include the accounts of all funds under the USDA Forest Service's control.

B. Basis of Presentation and Accounting

Basis of Presentation: These financial statements were prepared to report the financial position and results of operations and changes in net position of the USDA Forest Service, as required by the Chief Financial Officer's Act of 1990 and the Government Management Reform Act of 1994. They have been prepared from the books and records of the USDA Forest Service in accordance with generally accepted accounting principles, and in accordance with the Office of Management and Budget (OMB) Bulletin 01-09, *Form and Content of Agency Financial Statements*. The USDA Forest Service has an OMB-approved waiver, which provides an exemption from producing comparative financial statements as part of its fiscal year (FY) 2002 financial statements.

Basis of Accounting: Transactions are recorded on an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned and expenses

when a liability is incurred, regardless of when cash is exchanged. Under the budgetary basis, however, funds availability is recorded based upon legal considerations and constraints. Any prior period adjustments are recorded in accordance with Federal Accounting Standards Advisory Board Statements of Federal Financial Accounting Standards (SFFAS) No. 21, *Reporting Corrections of Errors and Changes in Accounting Principles.*

C. Fund Balance with the U.S. Treasury and Cash

The U.S. Department of the Treasury processes cash receipts and disbursements on behalf of the USDA Forest Service. Funds on deposit with Treasury are primarily special, trust, and appropriated funds that are available to pay current liabilities and to finance authorized purchase commitments.

Cash consists of undeposited collections and currency for change making and petty cash.

D. Advances

Payments made by the USDA Forest Service in advance of the receipt of goods and services are recorded as advances at the time of payment and recognized as expenditures/expenses when the related goods and services are received. Advance payments are a provision of some contracts and cooperative agreements to facilitate procurements and joint projects with small businesses, nonprofit organizations, and local environmental groups. For example, the USDA Forest Service may make an advance payment to a county government under a cooperative agreement to make repairs on a local bridge.

E. Inventory and Related Property

This category reflects only WCF operating materials and supplies, which consist of tree seeds for a variety of tree species and tree seedlings (nursery stock). The WCF sells these items primarily to USDA Forest Service units, State forestry commissions, and schools. The tree seeds and seedlings are used for reforestation. Customers are billed for items purchased; thus, costs of providing these items are recovered. Management has established no allowance against these inventories because losses from spoilage, obsolescence, damage, etc., are considered immaterial.

F. General Property, Plant and Equipment

General Property, Plant and Equipment (PP&E) includes real and personal property used in ordinary business operations that has a useful life of 2 years or more. Real and personal property is recorded at cost or estimated cost. As of October 1, 2001, the USDA Forest Service raised its capitalization thresholds for new acquisitions of real property from $5,000 to $25,000, and for internal use software from $5,000 to $100,000. Its threshold for personal property remained at $5,000.

G. Liabilities

Liabilities represent the amount of monies or other resources that is likely to be paid by the USDA Forest Service as a result of a transaction or event that has occurred. The USDA Forest Service cannot satisfy a liability, however, without an appropriation. Liabilities for which there is no appropriation, and for which there is no certainty that an appropriation will be enacted, are classified as unfunded liabilities. The Government, acting in its sovereign capacity, can abrogate liabilities. Note 7, Liabilities Not Covered by Budgetary Resources, segregates liabilities covered by budgetary resources from liabilities not covered by budgetary resources.

H. Environmental and Disposal Liabilities

The USDA Forest Service's estimated Government–related environmental liabilities relate principally to the future remediation of certain landfills, buildings, and other related sites in accordance with all applicable Federal, State, and local laws. Such estimates do not consider the effect of future inflation, new technology, laws, or regulations.

I. Comments and Contingencies

The full value of probable and estimable amounts related to unsettled litigation and other claims against the USDA Forest Service is recognized as a liability and expense. Expected amounts related to litigation and other claims include amounts to be paid by the Department of the Treasury on behalf of the USDA Forest Service from a permanent appropriation for judgments and from other appropriations. The USDA Forest Service is a party in various other administrative proceedings, legal actions, environmental lawsuits, and other claims brought by or against the USDA Forest Service. In the opinion of the USDA Forest Service management and the opinion of legal counsel, the ultimate resolution of these proceedings is currently indeterminable.

J. Imputed Pension and Other Retirement Benefits

In accordance with Federal Government accounting guidance, the USDA Forest Service recognizes the liability and associated expense of employee pensions and other retirement benefits (including health care and other post-employment benefits) at the time the employee's services are rendered.

Pension expenses, retirement health benefits, and related liabilities are recorded at estimated actuarial present value of future benefits, less the estimated actuarial present value of normal cost contributions made by, and for, covered employees. Other postemployment benefit expenses and related liabilities are recognized when the future outflow of resources is probable and measurable on the basis of events occurring on or before the reporting date.

K. Workers' Compensation Liability

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for the USDA Forest Service's employees under FECA are administered by the U.S. Department of Labor (DOL) and are ultimately paid by the USDA. Consequently, the USDA Forest Service recognizes a liability for this compensation that has two components: (1) an accrued liability that represents money owed for claims paid through the current fiscal year and (2) an actuarial liability that represents the expected liability for approved compensation cases beyond the current fiscal year.

L. Employee Annual, Sick, and Other Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates. To the extent current- or prior-year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of leave are expended as taken.

M. Retirement Plans

The USDA Forest Service employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). On January 1, 1984, CSRS employees were required by Congress to begin paying contributions to the Medicare portion of Social Security. At that time, the Office of Personnel Management (OPM) began

creating the administrative provisions of FERS. FERS officially became effective January 1, 1987, pursuant to Public Law 99-335. The time between January 1, 1984, and January 1, 1987, is called the "interim period." Employees hired after December 31, 1983, are covered by FERS and Social Security.

For employees covered under FERS, the USDA Forest Service withholds, in addition to Social Security, 1 percent of gross earnings. For employees covered under the CSRS, the USDA Forest Service withholds 8.51 percent of their gross earnings. The USDA Forest Service matches the employees' contribution and the sum is transferred to CSRS. The USDA Forest Service does not report CSRS assets, accumulated plan benefits, or unfunded liabilities (if any) applicable to its employees. Reporting such amounts is the responsibility of the OPM.

On April 1, 1987, the Federal Government initiated the Thrift Savings Plan (TSP), which is a retirement savings and investment plan for Federal employees covered by both FERS and CSRS. FERS employees may contribute up to 12 percent of their gross pay to the TSP. The USDA Forest Service automatically contributes 1 percent of a FERS employee's gross salary to the TSP. For the first 3 percent of gross pay contributed by a FERS employee, the USDA Forest Service will match the contribution dollar for dollar. For the next 2 percent contributed, the USDA Forest Service will match 50 cents per dollar contributed. CSRS employees may contribute up to 7 percent of their gross pay, but there is no matching contribution.

The maximum amount of employee contributions to the TSP is established on a calendar year basis. The maximum amount that FERS employees can contribute to the TSP in calendar year 2002 is the lesser of $11,000 or 12 percent of their gross pay. The maximum amount that CSRS employees can contribute to the plan in calendar year 2002 is the lesser of $11,000 or 7 percent of their gross pay. The sum of employee and the USDA Forest Service contributions is transferred to the TSP, which is administered by the Federal Retirement Thrift Investment Board.

N. Revenues and Other Financing Sources

The USDA Forest Service is funded principally through Congressional appropriations and other authorizations from the Budget of the United States. The USDA Forest Service receives annual, multiyear, and no-year appropriations that are used, within statutory limits, for operating and capital expenditures. Other funding sources are derived through reimbursements for services performed for other Federal and non-Federal entities, sale of goods to the public, gifts from donors, and interest on invested funds.

Appropriations are recognized as revenues at the time the related programs or administrative expenses are incurred. Appropriations expended for property and equipment are recognized as expenses when an asset is consumed in operations. Other revenues are recognized when earned; that is, when goods have been delivered or services rendered.

In accordance with Federal Government accounting guidance, the USDA Forest Service classifies revenue as either "exchange revenue" or "non-exchange revenue." Exchange revenue arises from transactions that occur when each party to the transaction sacrifices value and receives value in return. In some cases, the USDA Forest Service is required to remit exchange revenue receipts to Treasury. In other instances the USDA Forest Service is authorized to use all or a portion of its exchange revenues for specific purposes. Non-exchange revenue is revenue the Federal Government is able to demand or receive because of its sovereign powers.

The USDA Forest Service reports the full cost of products and services generated from the consumption of resources. Full cost is the total amount of resources used to produce a product or provide a service unless otherwise noted. In accordance with SFFAS No.7, Accounting for Revenue and Other Financing Sources, the USDA Forest Service's pricing policies are set to recover full cost except where mandated by law or otherwise for the public good, such as in the case of grazing fees.

Note 2. Nonentity Assets

Total assets consist of both entity and nonentity. Nonentity assets are those assets not available for use in the operations of the USDA Forest Service and consist primarily of amounts recorded in the National Forest Fund account, Budget Clearing Account, and General Fund Proprietary Receipts, such as collections of fines and penalties.

As of September 30, 2002, total nonentity assets consist of:

	In Thousands
Intragovernmental	
Fund Balance with Treasury	$ 609,033
Accounts Receivable	195
Total Intragovernmental	609,228
Accounts Receivable	58,915
Total Nonentity Assets	668,143
Total Entity Assets	6,201,569
Total Assets	**$ 6,869,712**

Note 3. Fund Balance with Treasury

The U.S. Department of the Treasury processes cash receipts and disbursements. Funds with the Department of the Treasury are primarily special, trust, and appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. Fund balances with Treasury include both entity and non-entity fund balances. It is the policy of the USDA Forest Service to record the amount of Fund Balance with Treasury, consistent with the balances reflected according to the records of the U.S. Department of the Treasury. Fund Balances on September 30, 2002, consisted of the following:

	In Thousands
A. Fund Balances:	
(1) Trust Funds	$ 308,076
(2) Revolving Funds	107,817
(3) Appropriated Funds	2,214,795
(4) Other Fund Types	194,260
Total	**$ 2,824,948**
B. Status of Fund Balances with Treasury	
(1) Unobligated Balance	
(a) Available	957,845
(b) Unavailable	83,117
(2) Obligated Balance Not Yet Disbursed	1,203,480
(3) Suspense, Deposit, and Other Funds	580,506
Total	**$ 2,824,948**

Note 4. Accounts Receivable

Intragovernmental accounts receivable represent amounts due under reimbursable and cooperative agreements with Federal entities for services provided by the USDA Forest Service. An allowance for receivables deemed uncollectible was not established for these amounts because monies due from other Federal entities are considered fully collectible.

Accounts receivable (Non-Federal) are composed primarily of reimbursements and refunds of fire prevention and suppression activities. An allowance for receivables deemed uncollectible was established for 20 percent or 80 percent, according to the age of the receivable. Governmental accounts receivable as of September 30, 2002, were as follows:

	In Thousands
Accounts Receivable	$ 197,626
Allowance for Doubtful Accounts	(142,000)
Accounts Receivable, Net	**$ 55,626**

Nonentity accounts receivable are composed primarily of timber harvest. An allowance for timber-related receivables is established based on analysis of individual accounts.

Note 5. Forfeited and Seized Property

A seizure is the act of taking possession of goods in consequence of a violation of public law. Seized property consists of monetary instruments, real property, and tangible personal property in the actual or constructive possession of the seizing and the custodial agencies. Such property is not legally owned by the USDA Forest Service until judicially or administratively forfeited. Seized evidence includes cash, weapons, nonmonetary valuables, and illegal drugs.

Pursuant to Federal Financial Accounting and Auditing Technical Release No. 4, *Reporting on Non-Valued Seized and Forfeited Property*, the value of seized property with no legal market in the United States (e.g., weapons, chemicals, drug paraphernalia, gambling devices) is not included on the consolidated balance sheet.

As of September 30, 2002, the USDA Forest Service seized property included:

Seized Property Category	In Thousands
Financial & Other Monetary Instruments (Cash)	$ 28
Personal Property (20 Items)	131
Non-Valued Items (See Below*)	
Total	**$ 159**

* Nonvalued items are further detailed below:

The USDA Forest Service has custody of illegal drugs and weapons taken as evidence for legal proceedings. In accordance with Federal Financial Accounting and Auditing Technical Release No. 4, *Reporting on Non-Valued Seized and Forfeited Property*, the USDA Forest Service reported the total amount of seized drugs below by quantity (kilograms) only.

Illegal drugs and weapons have no salable value to the Federal Government and are destroyed upon resolution of legal proceedings. Seized property on September 30, 2002, included:

Evidence	(kg)
Cocaine	0.06566
Marijuana	5,362.682
Cannabis Cultivation—Plant	17,427 (Plants)
Methamphetamine	0.61919
Mushrooms	0.089
Weapons (firearms)	546 Items

Note 6. General Property, Plant and Equipment, Net

Depreciation of General Property, Plant and Equipment for the USDA Forest Service is recorded on the straight-line method based on the useful lives listed below. As of September 30, 2002, the USDA Forest Service's PP&E consists of the following:

		In Thousands		
Property Class	Useful Life (Years)	Cost	Accumulated Depreciation	Book Value
Personal Property	5-20	$ 998,190	$(607,552)	$ 390,638
Real Property	10-50	7,206,355	(3,706,078)	3,500,277
Total		**$ 8,204,545**	**$(4,313,630)**	**$3,890,915**

Note 7. Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources as of September 30, 2002, consist of the following:

	In Thousands
Intragovernmental	
Judgment Fund	$ 189,300
FECA	63,910
Governmental	
Actuarial FECA	365,607
Leave	170,098
Contingent Liabilities	37,400
Payment to States	105,073
Environmental and Disposal Liabilities	7,069
Total Liabilities Not Covered by Budgetary Resources	**938,457**
Total Liabilities Covered by Budgetary Resources	**1,277,328**
Total Liabilities	**$ 2,215,785**

Note 8. Other Liabilities

The following table segregates Other Liabilities between Covered and Not Covered by Budgetary Resources and between Intragovernmental and Governmental as of September 30, 2002.

In Thousands

Other Liabilities Covered by Budgetary Resources

	Noncurrent	Current	Total
Intragovernmental			
Employer Contributions & Payroll Tax	$ -	$ 6,718	$ 6,718
Other Accrued Liabilities	-	58,777	58,777
Advances from Others	-	26,101	26,101
Trust and Deposit Liabilities	-	181,076	181,076
Custodial Liability	-	23,355	23,355
Other Liabilities	-	(3,660)	-3,660
Total Intragovernmental	**$ -**	**$ 292,367**	**$ 292,367**

	Noncurrent	Current	Total
Other Accrued Liabilities	$ -	$ 477,170	$ 477,170
Advances from Others	-	31,443	31,443
Trust and Deposit Liabilities	-	23,579	23,579
Purchaser Road Credits	-	42,024	42,024
Custodial Liability	-	31,138	31,138
Other Liabilities	-	4,082	4,082
Total Governmental	**$ -**	**$ 609,436**	**$ 609,436**

Other Liabilities Not Covered by Budgetary Resources

	Noncurrent	Current	Total
Intragovernmental			
Treasury Judgment Fund	$ 189,300	$ -	$ 189,300
Unfunded FECA	36,668	27,242	63,910
Total Intragovernmental	**$ 225,968**	**$ 27,242**	**$ 253,210**

	Noncurrent	Current	Total
Actuarial FECA	$ 365,607	$ -	$ 365,607
Payments to States	105,073	-	105,073
Unfunded Annual Leave	9,098	161,000	170,098
Contingent Liabilities	37,400	-	37,400
Total Governmental	**517,178**	**161,000**	**678,178**
Total Other Liabilities	**$ 743,146**	**$ 1,090,045**	**$ 1,833,191**

As of September 30, 2002, the USDA Forest Service's major components of other liabilities are as follows:

Advances from Others: Advances from Others consist of monies on deposit for cooperative work project agreements with the public.

Trust and Deposit Liabilities: Trust and Deposit Liabilities, Governmental, consist primarily of cash prepayments and deposits from timber purchasers before the actual harvest of timber. The remaining Trust and Deposit Liabilities include liabilities that have been temporarily included in suspense accounts.

Custodial Liability: Custodial Liability consists of amounts held in special receipt accounts that belong to non-USDA Forest Service entities. (See Note 20 for more on Custodial Liability.)

Purchaser Road Credits: Purchaser Road Credits (PRCs) are liabilities arising under timber sales contracts issued through April 1999 that are still in effect. Under the terms of certain timber sales contracts, timber purchasers are allowed to construct roads to gain access to timber. If the USDA Forest Service has a use for the roads upon contract completion, the timber purchaser is given a credit, referred to as a PRC, for the value of the roads, to the extent their service lives exceed the contract's duration. Effective April 1999, in accordance with 16 U.S.C. § 535a, such PRCs are prohibited on newly issued timber contracts.

The amount of the PRC granted to contractors in connection with pre-April 1999 contracts is based on a USDA Forest Service engineering estimate made at the time of the timber sale. A PRC is established when the USDA Forest Service accepts the road. At that time, an asset (a component of Property, Plant and Equipment) and a liability (Unearned Revenue) are recorded for the amount of the PRC established.

On applicable contracts, the timber purchaser can use the PRC as an offset to payments on timber harvested. As the PRC is used in lieu of cash in paying for timber harvested, the amount in Unearned Revenue is reduced and current year revenue is recognized. If all PRCs have not been applied when the contract is closed, they are canceled and the amounts are removed from the Unearned Revenue account. PRCs that are not applied against the timber sale contract price are, in effect, donated to the Federal Government.

Treasury Judgment Fund: The USDA Forest Service pays small tort claims out of its own funds. Other legal actions exceeding $2,500, however, fall under the Federal Tort Claims Act. These are paid from the Claims, Judgments, and Relief Acts Fund (Judgment Fund) maintained by the Department of the Treasury. Absent a specific statutory requirement, the USDA Forest Service is not required to record a liability or reimburse the Judgment Fund for payments for tort claims made on its behalf. These payments, however, are recognized as an expense and an imputed financing source in the Statement of Net Cost and Statement of Change in Net Position. Payments reported from torts and court of claims for FY 2002 amounted to $9,184 thousand.

The Contract Dispute Resolution Act (CDRA) governs litigation arising from contract disputes (such as from timber sales contracts). Subsection 612(c) provides that CDRA payments made on behalf of Federal agencies by the Judgment Fund shall be reimbursed to the Fund. Consequently, the debtor Federal agency is required to record a payable to the Judgment Fund. Those amounts remain a receivable on Financial Management Service's (Department of the Treasury) books and a payable on the debtor agency's books until reimbursement to the Fund is made by the agency. On September 30, 2002, the Department of the Treasury indicated that the USDA Forest Service is liable for $189,300 thousand.

Federal Employees' Compensation Act Liabilities: Liabilities under the Federal Employees' Compensation Act (FECA) are incurred as a result of workers' compensation benefits that have accrued to employees, but have not yet been paid by the USDA Forest Service. Workers' compensation benefits include the current and expected future liability for death, disability, medical, and other approved costs. The DOL actuarially determines the expected future liability for the USDA as a whole, including the USDA Forest Service. The USDA Forest Service is billed annually as its claims are paid by the DOL. Payment to the DOL is deferred for 2 years so that the bills may be funded through the budget. Payments to the DOL are recognized as an expense in the Statement of Net Cost. The amounts of unpaid FECA billings constitute the accrued FECA payable.

The total components of accrued FECA payable as of September 30, 2002, are as follows:

	In Thousands
Not Covered by Budgetary Resources, Intragovernmental	
Liability for FECA	$63,910
Not Covered by Budgetary Resources, Governmental	
Expected Future Liability for FECA	365,607
Total	**$429,517**

Pending Litigation and Unasserted Claims (Contingencies): As of September 30, 2002, the USDA Forest Service has five legal actions pending; based on information provided by legal counsel, management believes an adverse decision is probable. The estimated loss is $37,400 thousand.

The USDA Forest Service has other pending legal actions for which the likelihood of adverse outcomes is reasonably possible. The potential loss related to these actions totals approximately $1,660,000 thousand.

Note 9. Lease Liabilities

The USDA Forest Service enters into leasing agreements through the General Services Administration (GSA) and through leasing authority delegated by GSA to enter into leases of general facilities (buildings and office space), equipment and land. Leases may include renewal options for periods of 1 or more years. Most leases are cancelable upon certain funding conditions. The future USDA Forest Service operating lease agreement payments as of September 30, 2002, are as follows:

	Asset Category (In Thousands)		
Fiscal Year	Personal Property	Real Property	Totals
FY 2003	$ 1,112	$ 47,686	$ 48,798
FY 2004	698	43,966	44,664
FY 2005	395	41,334	41,729
FY 2006	174	38,365	38,539
FY 2007	38	35,869	35,907
After FY 2007	14	237,177	237,191
Total	**$ 2,431**	**$ 444,397**	**$ 446,828**

Note 10. Program Costs by Segment

The USDA Forest Service reflects costs through five primary responsibility segments: National Forests and Grasslands, Forest and Rangeland Research, State and Private Forestry, Fire and Aviation Management, and the Working Capital Fund.

The following table illustrates program costs by segments.

USDA Forest Service
Program Costs by Segment
For the Year Ended September 30, 2002
(In Thousands)

	National Forests and Grasslands	Forest and Rangeland Research	State and Private Forestry	Fire and Aviation Management	Working Capital Fund	Total	Working Capital Fund Elimination	Total Net of Working Capital Fund Elimination
Intragovernmental								
Gross Costs	$ 484,430	$ 15,080	$ 13,396	$ 385,596	$ (1,056)	$ 897,446	$(218,135)	$ 679,311
Less: Intragovernmental								
Earned Revenue	(134,542)	(20,229)	(5,794)	(9,530)	(218,135)	(388,230)	218,135	(170,095)
Intragovernmental Net Costs	349,888	(5,149)	$ 7,602	376,066	(219,191)	509,216	-	509,216
Gross Costs with the Public:								
Grants	376,213	3,642	216,899	9,897	27	606,678	-	606,678
Indemnities	10,151	253	194	893	19	11,510	-	11,510
Stewardship Land Acquisition	107,593	-	-	-	-	107,593	-	107,593
Operating Costs	1,760,486	206,286	51,748	1,608,200	71,649	3,698,369	-	3,698,369
Depreciation Expense	252,033	2,084	423	3,285	42,535	300,360	-	300,360
Reimbursable Costs	102,322	22,293	2,683	62,795	-	190,093	-	190,093
Other	99,935	(66)	8	5,286	29,415	133,578	-	133,578
Less: Earned Revenues from								
the Public	(90,055)	(2,636)	(99)	(59,836)	-	(152,626)	-	(152,626)
Net Costs with the Public	2,617,678	231,856	271,856	1,630,520	143,645	4,895,555	-	4,895,555
Net Cost of Operations	**$ 2,967,566**	**$ 226,707**	**$ 279,458**	**$ 2,006,586**	**$ (75,546)**	**$ 5,404,771**	**$ -**	**$ 5,404,771**

Note 11. Cost of Stewardship PP&E

Stewardship assets acquired through purchase in FY 2002 amounted to $107,592 thousand and consisted of land, easements, and rights-of-way. Stewardship land is all land that is not general-purpose land; i.e., land that does not have a general-purpose building on it. Stewardship land costs include purchase cost and any salary costs, survey costs, title costs, closing costs, restoration costs, or any other expenses necessary to prepare the land for its intended use.

Note 12. Prior Period Adjustments

In FY 2002, the USDA Forest Service discovered and corrected accounting errors that occurred in previous fiscal years. A summary of the adjustments follows:

In Thousands

	Cumulative Results of Operations
Beginning Balance, as Previously Stated	$ 3,452,585
Corrections Related to:	
General PP&E	(915,061)
Accounts Payable	(312,121)
Net Position	(305,541)
Accounts Receivable	(76,347)
Other	233,827
Total Prior Period Adjustments	**(1,375,243)**
Beginning Balance, as Restated	**$ 2,077,342**

Note 13. Gross Cost and Earned Revenue by Budget Functional Classification

The breakdown of USDA Forest Service's net costs by Budget Functional Classification is as follows:

Gross Cost and Earned Revenue by Budget Functional Classification:

In Thousands

Budget Functional Classification	Gross Cost	Earned Revenue	Net Cost
300 Natural Resources and Environment	$ 5,226,684	$ 345,512	$ 4,881,172
350 Agriculture	349	191	158
450 Community and Regional Development	249	-	249
800 General Government	500,210	(22,982)	523,192
Total	**$ 5,727,492**	**$ 322,721**	**$ 5,404,771**

Intragovernmental Total Cost and Earned Revenue by Budget Functional Classification:

In Thousands

Budget Functional Classification	Gross Cost	Earned Revenue	Net Cost
300 Natural Resources and Environment	$ 679,185	$ 170,092	$ 509,093
350 Agriculture	82	3	79
800 General Government	44	-	44
Total	**$ 679,311**	**$ 170,095**	**$ 509,216**

Note 14. Apportionment Categories of Obligations Incurred

The OMB usually distributes budgetary resources in an account or fund by specific time periods, activities, projects, objects, or a combination of these categories. Apportionments by fiscal quarters are classified as Category A apportionments. All other apportionments are classified as Category B apportionments. USDA Forest Service apportionments are not made on a quarterly basis; therefore, they are classified as Category B apportionments.

Note 15. Adjustments to Beginning Balance of Budgetary Resources

Reporting Requirements for Transfer Appropriation Accounts – OMB Bulletin No. 01-09, Section 9.36, prescribes that the parent should report the activity in its financial statement, unless the allocation is material to the child's financial statements. If the allocation transfer is material to the child's financial statements, the child should report the activity relating to the allocation in all of its financial statements, except the Statement of Budgetary Resources. The parent should continue to report the appropriation and the related budgetary activity in its Statement of Budgetary Resources. It is the responsibility of the parent to ensure that the reporting to Treasury, through FACTS I, is consistent with the presentation in the financial statements. The USDA Forest Service is required to report two treasury symbols as "child": the Transfer Appropriation accounts related to the DOL, Job Corps Civilian Conservation, and the Department of Transportation, Federal Highway Trust Fund. Job Corps is a DOL residential training program for unemployed and underemployed young people, financed by the DOL, conducted on campuses on national forest land, and the supervised by USDA Forest Service employees. Based on the above guidance, both accounts were excluded from the Statement of Budgetary Resources in FY 2002, resulting in adjusted beginning balances.

The impact on the Statement of Budgetary Resources is as follows:

In Thousands

Unobligated Balance, Beginning of Period:

FY 2001 Ending Balance	Adjustment	FY 2002 Beginning Balance
$ 1,342,828	(91,477)	1,251,351

Obligated Balance, Net, Beginning of Period:

FY 2001 Ending Balance	Adjustment	FY 2002 Beginning Balance
$ 1,540,125	(44,059)	1,496,066

Note 16. Permanent Indefinite Appropriations

The following permanent indefinite appropriations exist for the purposes shown, with funds available until expended.

APPROPRIATION NAME	PURPOSE
Brush Disposal	Deposits from timber purchasers are used for disposal of brush and other debris from cutting operations on timber sale areas.
Licensee Programs, Smokey Bear and Woodsy Owl	Royalty income from character licensing is used to promote forest fire prevention and environmental quality.

APPROPRIATION NAME	PURPOSE
Forestlands Restoration and Improvements	Forfeitures of cash and surety bonds are used by USDA Forest Service to complete improvement or rehabilitation work left unfinished by permittees or timber purchasers.
Recreation Fee Collection Costs	Up to 15 percent of recreation fee revenue may be used to cover fee collection costs.
Recreation Fee Demonstration Program	Recreation fee revenue is used for operation, maintenance, and improvements of recreation areas and related habitat.
Timber Roads—Purchaser Election Program	Deposits from timber purchasers are used by the USDA Forest Service for roads and bridges required for timber sales.
Timber Salvage Sales	Income from the sale of damaged timber is used to design, engineer, and supervise the preparation of future salvage sales.
Timber Sale Pipeline Restoration Fund	Income from the sale of healthy timber is used to prepare more timber sales and reduce the backlog of recreation projects.
Road and Trails for States	10 percent of the national forest receipts are used for roads and trails within the national forests in the States where the receipts were collected.
Midewin National Tallgrass Prairie Rental Fees	Income from user fees and sales is used for the costs of restoration, prairie improvement, and administration.
Midewin National Tallgrass Prairie Restoration Fund	Income from user fees and sales is used for the costs of restoration, the visitor center, and facilities construction.
Operation and Maintenance of Quarters	Rental fees for Government-owned housing are used to maintain those residences.
Land Between the Lakes Management Fund	Income from recreation user fees is used for management costs, including salaries and expenses.
Payment to Minnesota	Income from national forests in Minnesota is used for an annual payment to benefit the Boundary Waters Canoe Area.
Payments to Counties—National Grasslands Fund	Income from national grasslands is used for an annual payment to counties where the grasslands are located.
Payments to States—National Forest Fund	Income from national forests is used to partially fund payments to States where the forests are located.

Note 17. Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the United States Government

The Budget of the United States Government with actual numbers for the fiscal year was not published at the time of the audit. It was published in the spring of 2003. Copies may be obtained from the Government Printing Office.

Note 18. Explanation of the Relationship Between Liabilities Not Covered by Budgetary Resources and the Change in Components Requiring or Generating Resources in Future Periods.

The USDA Forest Service's FY 2002 difference between the liabilities not covered by budgetary resources and the change in components requiring or generating resources in future periods results from liabilities not covered by budgetary resources being recorded in the current year to the Statement of Net Cost; while liabilities not covered by budgetary resources are cumulative over fiscal years. The components of the Net Cost of Operations that will require or generate resources in the future are as follows:

Increase in Annual Leave Liability	$ 6,755
Increase in Exchange Revenue Receivable from the Public	(266,142)
Other (FECA Liability)	2,540
Total Components of Net Cost of Operations That Will Require or Generate Resources in the Current Period	**$ (256,847)**

Note 19. Description Of Transfers That Appears As A Reconciling Item On The Statement Of Financing

The USDA Forest Service has the following routine transfers without reimbursement:

Transfers In

Trading Partner	Account Title	Purpose
Department of Labor	Job Corps Civilian Conservation	Provide training for underemployed youths
Department of Transportation	Federal Highway Trust Fund	Maintenance and upkeep of Federal highway traversing national forest lands

Note 20. Incidental Custodial Collections

The USDA Forest Service, as of September 30, 2002, had collected the following funds, of which portions are due to States and counties. The largest component of custodial collections comes from the sale of products and services from the national forests and grasslands. These amounts payable are included in Other Liabilities as Custodial Liability:

	In Thousands
Beginning Balance	$ 280,469
Revenue Activity:	
Sources of Collections:	
National Forest Fund Receipts	21,648
Payments and Receipts, National Grasslands	11,253
Miscellaneous	3,514
Total Cash Collections	36,415
Total Custodial Revenue and Beginning Balance	316,884
Disposition of Collections:	
Transferred to Others:	
States and Counties (Payments to States)	(306,799)
(Increase)/Decrease in Amounts Yet to Be Transferred	(10,085)
Total Disposition	(316,884)
Net Custodial Activity	**$ -**

Note 21. Dedicated Collections

The USDA Forest Service recognizes the following funds as dedicated collections. These funds are used as dedicated for the benefit of enhancing and maintaining NFS lands, including reforestation. Donations are handled on a cash basis and all others are accounted for on the accrual basis.

Trust Funds

TREASURY SYMBOL	FUND/NAME	PURPOSE	AUTHORITY
12X8028	Cooperative Work	Advances from cooperators	16 U.S.C. 498,72(c),72a, 76b,81
12X8029	Mount Saint Helens Highway	Repair highways	23 U.S.C. 203,207
12X8034	Gifts, Donations, and Bequests for Forest and Rangeland Research	Segregate donations for research	16 U.S.C. 1643b
12X8039	Land Between the Lakes Trust Fund	Donations to National Recreation Area	112 Stat. 2681-317
12X8046	Reforestation Trust Fund	Reforestation	16 U.S.C. 1606a
1269X8083	Federal Aid to Highways	Maintain Federal highways in USDA Forest Service land	31 U.S.C. 3515
12X8203	Gifts and Bequests	Segregate general donations	7 U.S.C. 2269

Special Funds

TREASURY SYMBOL	FUND/NAME	PURPOSE	AUTHORITY
12X5004	Land Acquisition	Watershed management	96 Stat. 1983
12X5010	Recreation Fees	Collection costs	107 Stat. 1610
12X5072	Fees, Operations, and Maintenance of Recreation Facilities	Maintain recreational facilities	101 Stat. 1330-265
12X5201	Payments to States, National Forest Fund	Revenue sharing grant	16 U.S.C. 500
12X5202	Timber Roads, Purchaser Election	Timber sale area purchasers' roads	16 U.S.C. 472(l)(2)
12X5203	Roads and Trails for States, National Forest Fund	Recreation road and trail improvements	16 U.S.C. 501
12X5204	Timber Salvage Sales	Prepare salvage sale and reforest after sale	16 U.S.C. 472(a)
12X5206	Expenses, Brush Disposal	Timber operators' amounts for brush disposal	16 U.S.C. 490
12X5207	Range Betterment	Improvements to grazing lands	16 U.S.C. 580h
12X5212	Construction of Facilities or Land Acquisition	Inactive	94 Stat. 3372
12X5213	Payment to Minnesota (Cook, Lake, and Saint Louis Counties) from the National Forest Fund	Revenue sharing grant	16 U.S.C. 577g, 577g-1
12X5214	Licensee Program	Smokey Bear and Woodsy Owl licensing royalties used for fire prevention	31 U.S.C. 488a
12X5215	Restoration of Forest Lands and Improvements	Environmental restoration	16 U.S.C. 579c
12X5216	Acquisition of Lands to Complete Land Exchanges	Land exchange and acquisition for forest management purposes	96 Stat. 1984; 16 U.S.C. 484a
12X5217	Tongass Timber Supply Fund	Management of timber supply in Alaska	16 U.S.C. 539d, 539c
12X5219	Operation and Maintenance of Quarters	Government-owned quarters rents finance maintenance	5 U.S.C. 5911
12X5220	Resource Management Timber Receipts	Accelerate management practices of natural resources	102 Stat. 1809

Special Funds

TREASURY SYMBOL	FUND/NAME	PURPOSE	AUTHORITY
12X5223	Quinault Special Management Area	Management of special Quinault tribal area	102 Stat. 3328
12X5224	Strawberry Valley Land Transfer	Transfer of specific land tract	102 Stat. 2828; 2829
12X5225	Pacific Yew	Management of Pacific Yew species, natural source of Taxol pharmaceuticals	106 Stat. 862
12X5264	Timber Sales Pipeline Restoration Fund	Prepare timber sales and reduce the backlog of recreation projects	110 Stat. 1321-206 Sec. 327
12X5268	Recreation Fee Demonstration Program	Maintenance of recreation areas, support of recreation program at demonstration sites	16 U.S.C. 4601-6a
12X5277	Midewin National Prairie Rental Fee Account	Maintenance of Midewin	110 Stat. 602
12X5278	Midewin National Tallgrass Prairie Restoration Fund	Restoration of Midewin	110 Stat. 602
12X5360	Land Between the Lakes Management Fund	Maintenance of national recreation area	112 Stat. 2681-315
12X5361	Administrative Rights-of-Way and Other Land Uses Fund	Maintenance of commercial filming sites	113 Stat. 1501A-196, Sec. 331
12X5363	Valles Caldera Fund	Maintenance of Valles Caldera Preserve, NM	114 Stat. 605
12X5462	Hardwood Technology Transfer and Applied Research Fund	Support and stimulation of hardwood forestry practices	112 Stat. 297-298, Sec. 343(e)
12X5896	Payments to Counties, National Grasslands	Revenue-sharing grant	7 U.S.C. 1012

Appendix B—U.S. Department of Agriculture Office of Inspector General Financial and IT Operations Audit Report

U.S. Department of Agriculture
Office of Inspector General
Financial and IT Operations
Audit Report

FOREST SERVICE
FINANCIAL STATEMENT AUDIT
FOR FISCAL YEAR 2002

Audit Report No.
08401-1-FM
January 2003

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20250

Date: 1/9/03

REPLY TO
ATTN OF: 08401-1-FM

SUBJECT: Audit of Fiscal Year 2002 Forest Service Financial Statements

TO: Dale Bosworth
Chief
Forest Service

ATTN: Mary Sally Matiella
Chief Financial Officer
Forest Service

This report presents the auditor's opinion on the Forest Service's Principal financial statements for the fiscal year ended September 30, 2002. The report also includes an assessment of Forest Service's internal control structure and compliance with laws and regulations.

KPMG Peat Marwick LLP (KPMG), an independent certified public accounting firm, conducted the audit. We monitored the progress of the audit at all key points, reviewed the working papers and performed other procedures, as we deemed necessary. We determined the audit was conducted in accordance with auditing standards generally accepted in the United States of America, "Government Auditing Standards" (issued by the Comptroller General of the United States), and the Office of Management and Budget Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements."

It is the opinion of KPMG that the financial statements present fairly, in all material aspects, the Forest Service's financial position as of September 30, 2002, and its net costs, changes in net position, budgetary resources, and reconciliation of net cost to budgetary obligations for the year then ended, in conformity with generally accepted accounting principles. KPMG's report on internal controls contains six material internal control weaknesses. The material internal control weaknesses included the need for improved controls over:

- The reconciliation and accountability of Fund Balance with Treasury;
- accurate recording of property transactions;
- selected automated application programs;

- payroll processing; and
- yearend accruals.

The report also noted that the general control environment needed improvement.

KPMG's report on Forest Service's laws and regulations contains one instance of noncompliance with the Federal Financial Management Improvement Act.

The Forest Service does not yet operate as an effective, sustainable, and accountable financial management organization. The fiscal year 2002 ending account balances were primarily derived from a 2 year audit effort on beginning balances and numerous statistical samples of fiscal year 2002 transactions. As a result of these efforts, multiple adjustments were processed to the general ledger and/or subsidiary ledgers. For example the financial statement line-item "General Property, Plant and Equipment, Net" was reduced by over $1 billion dollars based on the audit coverage. The achievement of an unqualified opinion, therefore, did not necessarily result from improvement in underlying financial management systems, but rather as an extensive ad hoc effort. As stated by the Comptroller General of the United States, "an unqualified opinion achieved on this basis will become an accomplishment without much substance."

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned, including the timeframes, on our recommendations. Please note that the regulation requires a management decision to be reached on all findings and recommendations within a maximum of 6 months from report issuance.

Richard D. Long

RICHARD D. LONG
Assistant Inspector General
for Audit

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

September 30, 2002

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INDEPENDENT AUDITORS' REPORT

KPMG

2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report

Chief, USDA Forest Service and
Office of Inspector General, United States Department of Agriculture:

We have audited the accompanying consolidated balance sheet of the United States Department of Agriculture (USDA) Forest Service as of September 30, 2002 and the related consolidated statements of net costs, changes in net position, and financing and combined statement of budgetary resources for the year then ended, hereinafter referred to as the "financial statements". The objective of our audit was to express an opinion on the fair presentation of these financial statements. In connection with our audit, we also considered the USDA Forest Service's internal control over financial reporting and tested the USDA Forest Service's compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its financial statements.

SUMMARY

As stated in our opinion on the financial statements, we concluded that the USDA Forest Service financial statements as of and for the year ended September 30, 2002 are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

As a result of tremendous effort performed outside of its normal business processes, the USDA Forest Service obtained an unqualified opinion on its fiscal year 2002 financial statements after receiving disclaimers of opinion for the past several years. As noted in the following paragraph, however, the USDA Forest Service has significant business process design, operation and control deficiencies that it must address.

Our consideration of internal control over financial reporting resulted in the following reportable conditions. The first six are considered material weaknesses.

- USDA Forest Service must continue to develop and improve its internal controls over its reconciliation and accountability of fund balance with Treasury (repeat finding)
- USDA Forest Service must improve its control design and/or implementation related to the accurate recording of property transactions (repeat finding)
- USDA Forest Service must develop a comprehensive accrual methodology
- USDA Forest Service must improve its controls over the payroll process
- USDA Forest Service must improve its general controls environment
- USDA Forest Service must improve its application controls for data integrity and access privileges for Pontius, PRCH, PROP, and EMIS
- Posting of certain transactions do not contain the proper reference data to link related transactions
- Reconciliations between FFIS and subsidiary ledgers are needed
- Unliquidated obligation reconciliations need improvement and additional related procedures need to be developed

- The grants and agreements process needs improved internal controls as well as refined procedures
- Controls related to physical inventories of capitalized assets need improvement
- Procurement controls and procedures need improvement
- USDA Forest Service information systems need improvements in addition to the material weaknesses noted above

The results of our tests of compliance with certain provisions of laws and regulations, exclusive of the *Federal Financial Management Improvement of 1996* (FFMIA), disclosed no material instances of noncompliance that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States, or Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

The results of our tests of FFMIA disclosed instances where the USDA Forest Service financial management systems did not substantially comply with Federal financial management systems requirements, applicable Federal accounting standards or the United States Government Standard General Ledger at the transaction level.

The following sections discuss our opinion on the USDA Forest Service's financial statements, our consideration of the USDA Forest Service's internal control over financial reporting, our tests of the USDA Forest Service's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheet of the USDA Forest Service as of September 30, 2002 and the related consolidated statements of net costs, changes in net position, and financing and combined statement of budgetary resources for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the USDA Forest Service as of September 30, 2002 and its net costs, changes in net position, budgetary resources, and reconciliation of net costs to budgetary obligations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.B. to the financial statements, the USDA Forest Service adopted the provisions of Statement of Federal Financial Accounting Standards No. 21, *Reporting Corrections of Errors and Changes in Accounting Principles* effective October 1, 2001.

The information in the Management Discussion and Analysis, Required Supplementary Stewardship Information and Required Supplementary Information sections is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

In applying the limited procedures to the deferred maintenance information, which is Required Supplementary Information, we were unable to apply certain procedures prescribed by professional standards because supporting documentation was not provided.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our

attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the USDA Forest Service's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements.

Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

In our audit we noted certain matters, described in Exhibits I and II, involving internal control over financial reporting and its operation that we consider to be reportable conditions. We believe that the reportable conditions presented in Exhibit I are material weaknesses. Exhibit II presents the other reportable conditions.

We also noted other matters involving internal control over financial reporting and its operation that we will report to the management of USDA Forest Service in a separate letter.

INTERNAL CONTROLS OVER REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

We noted certain significant deficiencies in internal control over Required Supplementary Stewardship Information that, in our judgment, could adversely affect the USDA Forest Service's ability to collect, process, record, and summarize Required Supplementary Stewardship Information.

We determined that preparation controls had not been effectively designed to insure the consistency and timeliness of the reported information. The information provided was not complete and was not as of September 30, 2002.

COMPLIANCE WITH LAWS AND REGULATIONS

The results of our tests of compliance with certain provisions of laws and regulations, as described in the Responsibilities section of this report, exclusive of FFMIA, disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 01-02.

The results of our tests of FFMIA disclosed instances, described in Exhibit III, where the USDA Forest Service's financial management systems did not substantially comply with Federal financial management systems requirements, applicable Federal accounting standards, or the United States Government Standard General Ledger at the transaction level.

RESPONSIBILITIES

Management's Responsibilities

Management is responsible for:

- Preparing the financial statements in conformity with accounting principles generally accepted in the United States of America;
- Establishing and maintaining internal controls over financial reporting, and preparation of the Management's Discussion and Analysis (including the performance measures), required supplementary information, and required supplementary stewardship information; and
- Complying with laws and regulations, including FFMIA.

In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies. Because of inherent limitations in internal control, misstatements due to error or fraud may nevertheless occur and not be detected.

Auditors' Responsibilities

Our responsibility is to express an opinion on the fiscal year 2002 financial statements of the USDA Forest Service based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* and OMB Bulletin No. 01-02. Those standards and OMB Bulletin No. 01-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our audit, we considered the USDA Forest Service's internal control over financial reporting by obtaining an understanding of the USDA Forest Service's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02 and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. The objective of our audit was not to provide assurance on internal control over financial reporting. Consequently, we do not provide an opinion thereon.

As required by OMB Bulletin No. 01-02, we considered the USDA Forest Service's internal control over required supplementary stewardship information by obtaining an understanding of the USDA Forest Service's internal control, determining whether these internal controls had been placed in operation, assessing control risk, and performing tests of controls. Our procedures were not designed to provide assurance on internal control over required supplementary stewardship information and, accordingly, we do not provide an opinion thereon.

As further required by OMB Bulletin No. 01-02, with respect to internal control related to performance measures determined by management to be key and reported in the Management Discussion and Analysis, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions. Our procedures were not designed to provide assurance on internal control over performance measures and, accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether the USDA Forest Service's financial statements are free of material misstatement, we performed tests of the USDA Forest Service's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 01-02, including certain provisions referred to in FFMIA. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws and regulations applicable to the USDA Forest Service. Providing an opinion on compliance with laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

Under OMB Bulletin No. 01-02 and FFMIA, we are required to report whether the USDA Forest Service's financial management systems substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard

General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA Section 803(a) requirements.

DISTRIBUTION

This report is intended for the information and use of USDA Forest Service's management, USDA Office of the Inspector General, OMB and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 16, 2002

MATERIAL WEAKNESSES

Material Weakness # 1: The USDA Forest Service Must Continue to Develop and Improve its Internal Controls over its Reconciliation and Accountability of Fund Balance with Treasury (Repeat Finding)

During our audit, we evaluated the internal controls in place for maintaining and reconciling fund balance with Treasury. Although the USDA Forest Service (FS) has made progress in improving its fund balance with Treasury reconciliation process, especially in regards to the Financial Management Service (FMS) 6652 reports reconciliation process, we identified continuing significant control deficiencies in the process.

A FMS 6653/6654/6655 Reports Reconciliation Process Needs to be Implemented

During our tests of the fund balance with Treasury FMS 6653/6654/6655 reports reconciliation process we noted that research of unreconciled items and the resulting corrective action had not been completed. FS could not provide sufficient supporting documentation of resolution for 60 of 60 sampled unreconciled items from the June and August fund balance with Treasury 6653/6654/6655 reports.

Monthly FMS 6653/6654/6655 reports reconciliations were not performed throughout the year for the following reasons:

- Efforts dedicated to define and improve the FMS 6652 reconciliation process.
- Assignment of adequately trained personnel to perform all the necessary functions of the reconciliations was not completed.
- Lack of communication with National Finance Center (NFC) personnel to resolve reconciling items that result from transactions processed by NFC on FS' behalf.
- Lack of understanding of how other Agency Locator Code (ALC) processes were affecting FS' appropriations.
- Lack of time to properly analyze suspense and deposit funds to ensure that they are being used appropriately.

OMB Circular A-123, *Management Accountability and Control*, states that transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.

Also, the *Treasury Financial Manual (TFM)*, Sections 2-3100 and 2-3300 state that the records of a Federal agency (i.e., FS' general ledger) must agree with the records of the U.S. Department of the Treasury. Any differences must be identified, reclassified into a budget suspense and clearing account, and resolved timely.

Without a reconciled fund balance with Treasury balance, FS' general ledger fund balance with Treasury balance could be out of balance with Treasury's balance. In addition, FS could be understating revenues and expenses.

In order to bring FS' fund balance with Treasury general ledger account balance into agreement with Treasury's fund balance with Treasury balance at September 30, 2002, FS conducted an

analysis of differences recorded on the 6653/6655 reports by Treasury symbols and recorded an adjustment of $107 million in its general ledger.

Recommendation No. 1:

We recommend that the FS:

A. Complete the documentation of its reconciliation process for the 6653/6654/6655 process.
B. Work with the USDA NFC to develop service level agreements which include specific responsibilities, roles, clearing timelines and escalation procedures for resolution of non-compliance with the agreement terms. These agreements need to identify appropriate points of contact in the affected units that will assist in the reconciliation of transactions that are processed by NFC on FS' behalf.
C. Determine what FS resources are necessary to perform complete and timely reconciliations of all fund balance with Treasury accounts and allocate the personnel resources necessary to ensure that this process is completed monthly as required by the TFM.

The FMS 6652 Reconciliation Process Needs to be Refined

During our tests of the fund balance with Treasury FMS 6652 reconciliation process we noted that research of reconciling items and the resulting corrective action had not been completed timely (i.e., within 30 days of receipt of Treasury reports) for 63 reconciling items of the 105 sample items selected from the monthly reconciliations of June and August 2002.

The lag time in research is primarily due to FS' commitment to focus on reconciliation of the FMS 6652 reconciling transactions that are valued at $5,000 or more. In addition, a lack of service level agreements which include specific responsibilities, roles, clearing timelines and escalation procedures for resolution of non-compliance with agreement terms has caused delays in the reconciliation of items that are processed by NFC on FS' behalf.

OMB Circular A-123, *Management Accountability and Control*, states that transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.

Also, the *TFM* Sections 2-3100 and 2-3300 state that the records of a Federal agency (i.e., Forest Services' general ledger) must agree with the records of the U.S. Department of the Treasury. Any differences must be identified, reclassified into a budget suspense and clearing account, and resolved timely.

FS is not in compliance with *TFM* reconciliation guidance because it is not timely clearing reconciling items associated with its FMS 6652 reconciliation process.

Recommendation No 2:

We recommend that the FS:

A. Completely reconcile each FMS 6652 unmatched report each month, including those reconciling items which are below the current $5 thousand threshold; and
B. Work with the USDA NFC to develop service level agreements which include specific responsibilities, roles, clearing timelines and escalation procedures for resolution of noncompliance with agreement terms. These agreements will identify appropriate points of

contact that can assist FS in resolving reconciling items that are processed by NFC on FS' behalf.

FS' Budget and Clearing Accounts Contain Excessive Unreconciled Transactions As Well As FS Revenue Transactions

During our analysis of the fund balance with Treasury budget and clearing accounts we noted that FS is not timely researching and reclassifying amounts located in Treasury accounts 12F3875(11) and 12F3885(11) to the proper Treasury symbols and final disposition in the general ledger (i.e., posted as a revenue or expense). In addition, FS revenue fees generated from operations such as the National Recreation Reservation System and Map Sales Program are held in suspense and are not properly recorded as revenue as the sales transactions are completed.

FS has not devoted substantial time to resolving and clearing reconciling items in its suspense and clearing accounts due to the efforts spent on developing the FMS 6652 reconciliation process. In addition, the revenue collections resided in the suspense and clearing account for two primary reasons: (1) FS did not have a separate receipt and expenditure account at Treasury to record these transactions and, (2) FS did not fully understand or explore the reporting implications associated with all of its business processes.

As of September 30, 2002, fund balance with Treasury accounts 12F3875(11) and 12F3885(11) contained balances of approximately $215 million and $9 million, respectively. Of the $215 million in Treasury account 12F3875(11), $116 million of balance relates to fees collected from timber sales that are temporarily recorded in the clearing account. A majority of the remaining difference, approximately $99 million relates to other revenue generating transactions, such as map sales and recreational camping fees, as well as unreconciled transactions. During our audit, FS was uncertain as to the exact composition of this $99 million at the transaction level. In addition, the balance in Treasury account 12F3885(11) relates to Intra-governmental Payment and Collection (IPAC)/ On-line Payment and Collection (OPAC) transactions that have not been researched, resolved and properly classified in the general ledger.

OMB Circular A-123, *Management Accountability and Control*, states that transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.

The *TFM* Sections 2-3100 and 2-3300 state that the records of a Federal agency (i.e., FS' general ledger) must agree with the records of the U.S. Treasury. Any differences must be identified, reclassified into a budget suspense and clearing account, and resolved timely. In addition, the *TFM* Volume I, Section 4, Chapter 7000, states that reconciling items in budget clearing accounts must be resolved expeditiously.

The following financial reporting problems result from delays in reconciling the budget clearing accounts:

- Cash payments to agencies can be inappropriately withdrawn from FS' fund balance with Treasury accounts,
- Undelivered orders are overstated at any given point in time due to unreconciled transactions, and
- Expenses and revenues are understated.

Recommendation No. 3:

We recommend that the FS:

A. Analyze the composition of its budget and clearing accounts and determine the proper disposition of the balances in Treasury suspense accounts 12F3875 and 12F3885 at least on a quarterly basis.
B. Identify all revenue generating business processes that are currently maintained in the budget clearing account and work with OMB and U.S. Department of the Treasury to establish a separate receipt and expenditure Treasury symbol so that revenue collections will not reside in the 12F3875 clearing account.

Material Weakness # 2: The USDA Forest Service Must Improve its Control Design and/or Implementation Related to the Accurate Recording of Property Transactions (Repeat Finding)

Transaction Costs And Other Information Were Not Recorded Accurately

During our testing of internal control effectiveness for property, plant, and equipment, we identified exceptions where the recorded amount of the transaction did not agree with the supporting documentation. This exception was noted 10 times in 270 personal property transactions and 11 times in 278 real property transactions.

During our year-end substantive testing of property, plant, and equipment transactions, we also identified instances where that the recorded values did not agree with the supporting documentation. In the personal property sample of 300 transactions we found:

- 17 exceptions in dollar amount,
- 24 exceptions in general ledger account code,
- 33 exceptions in fiscal year, and
- 24 exceptions in budget object class code.

In the real property sample of 600 transactions we found:

- 181 exceptions in dollar amount,
- 169 exceptions in general ledger account code,
- 38 exceptions in fiscal year, and
- Seven exceptions in budget object class code.

The effect of these exceptions results in an overstatement or an understatement of asset values. These exceptions can be attributed to a lack of trained personnel as well as a lack of supervisory review of the data input of these transactions.

Recommendation No. 4:

We recommend that the FS:

A. Train its personnel on accurate transaction recording.

B. Require supervisory review of data input of property transactions.

C. Monitor compliance through a formalized quality assurance process.

Labor Costs Were Improperly Capitalized

During our testing of internal controls for property, plant, and equipment, we concluded that some FS labor costs (i.e., payroll) were improperly capitalized. This deficiency was found one time during our review of eight personal property labor cost transactions and 23 times in our review of 204 real property labor cost transactions. This inappropriate capitalization of labor costs results in an overstatement of assets and an understatement of expenses. The primary cause of this deficiency is a result of a lack of controls for the authorization and review of labor costs capitalized.

Other Costs were Improperly Capitalized

During our testing of internal controls over personal property, we found eight field units that had improperly capitalized costs. Five units had capitalized costs that were below the capitalization threshold of $5 thousand. Three units had improperly capitalized costs because the transactions were expenses (i.e., repair costs). This deficiency also results in an overstatement of assets and an understatement of expenses. The primary cause of this deficiency is a lack of data entry recording accuracy and supervisory review.

Recommendation No. 5:

We recommend that the FS improve the design and operation of its labor cost and other cost capitalization controls.

Initial Recording Of Acquisition Cost, In-Service Date, And Useful Life Were Not Reviewed

During our testing of controls for property, plant, and equipment, we concluded that the initial recording of acquisition cost, in-service date, and useful life (i.e., critical data elements for property, plant, and equipment items) was not required to be independently reviewed by a supervisor, other independent person, or by system checks within the personal and real property systems. These exceptions were found 77 times out of 215 personal property transactions and 92 times out of 233 real property transactions. These errors result in a misstatement of assets and expense balances. This condition is caused by a lack of design of effective controls for the critical initial recording of acquisition cost, in-service date, and useful life for assets.

Recommendation No. 6:

We recommend that the FS design and implement a control methodology that independently verifies the initial recording of asset acquisition cost, in-service date, and useful life, as well as other critical data elements to ensure proper depreciation of capital assets.

Material Weakness # 3: The USDA Forest Service Must Develop A Comprehensive Accrual Methodology

The FS proposed methodology to accrue liabilities for grants and non-grant/non-payroll related expenses was not accurate and did not substantially support delivered orders as of the period-end. In addition, the proposed methodology did not take into consideration payables to states as of September 30.

One of FS' key accrual methodology assumptions was that the accrual would be based on one month's level of delivered orders as estimated by the subsequent month's cash disbursements. Our testwork in the grants/agreements and non-grant/non-payroll expenses areas disclosed a significant number of expenses that were prior years expenses (some of which dated as far back as 1998) that were processed in the current year. As a result, it was determined that the one month's lag time for accrued liabilities is not adequate based upon the current year grants/agreements and non-grant/non-payroll substantive testing results.

The Federal Accounting Standards Advisory Board (FASAB), Statement of Federal Financial Accounting Standards (SFFAS) Number 1, *Accounting For Selected Assets and Liabilities* states that when an entity accepts title to goods, whether the goods are delivered or in transit, the entity should recognize a liability for the unpaid amount of the goods. In addition, when services are provided a liability is accrued once the services are accepted. If invoices for those goods/services are not available when financial statements are prepared, the amounts owed should be estimated. In addition, OMB Circular A-123, *Management Accountability and Control*, states that transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.

If FS used its proposed methodology, we believe it would be understating its accrued liabilities and associated expense balance. In addition, using FS' proposed methodology would not provide an audit trail on a transaction by transaction basis which would be necessary to determine the reasonableness of the period end accrual.

Because of the inconsistencies in FS' proposed methodology and lack of auditability, FS was requested to utilize a sample of transactions from the unliquidated obligation balance to determine the amount of payables at the end of fiscal year 2002 that would subsequently be extrapolated to the unliquidated obligation population. As a result of this exercise, it was statistically projected that FS' accrual as of September 30 was approximately $318 million which is much higher than the balance that FS was projecting using its proposed methodology.

In addition to the accrual discussed above, which was based on unliquidated obligations, we proposed an adjustment for a separate accrual for payments to states which is determined by a revenue formula used by FS. This liability, which approximated $370 million, was necessary because the related disbursement process does not involve unliquidated obligations.

Recommendation No. 7:

We recommend the FS:

A. Develop an accrual methodology for use in fiscal year 2003 that will provide for an estimate using known individual current business activity in accordance with appropriate FASAB guidance.
B. Maintain the supporting documentation (i.e., invoices and information used to develop estimates) used to determine the accrual for management review.

Material Weakness # 4: USDA Forest Service Must Improve its Controls Over the Payroll Process

Paycheck Automated Controls Need Improvement

The Paycheck system was designed to allow employees that are listed in the FS' Lotus Notes e-mail system to route their time and attendance sheets to other designated employees for approval.

We noted that Paycheck allows users to submit their timesheets for approval to an employee that is not the user's designated supervisor. In addition, it was also observed in many field site locations that the employee can send the timesheet to him/herself for approval.

As a result of this lack of system controls, FS must rely on manual review and approval of timesheets. However, our testwork in this area, as noted below, disclosed weaknesses in the manual review and approval of timesheets.

OMB Circular No. A-127, *Financial Management Systems,* states that the financial management systems shall include a system of internal controls that ensure resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and disclosed in reports. Appropriate internal controls shall be applied to all system inputs, processing, and outputs. Such system related controls form a portion of the management control structure required by Circular A-123.

OMB Circular No. A-123, *Management Accountability and Control*, states that:

- Key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions should be separated among individuals. Managers should exercise appropriate oversight to ensure individuals do not exceed or abuse their assigned authorities.
- Access to resources and records should be limited to authorized individuals, and accountability for the custody and use of resources should be assigned and maintained.

Without adequate system controls in place relating to segregation of duties and access/approval rights, an employee could submit inaccurate or potentially fraudulent timesheets.

Recommendation No. 8:

We recommend that the FS implement adequate system controls in Paycheck to ensure that the employee's supervisor of record appropriately reviews and approves his/her subordinates timesheets.

Manual Controls Over the Payroll Process Need Improvement

During our internal control testwork at 14 FS locations, we noted that FS lacked adequate manual controls over timesheet and payroll processing. Specifically, the following control discrepancies were noted during our testwork:

- Nine time and attendance sheets (out of 127 sample items) were missing either the employees', supervisors', or both signatures to document review and approval of the timesheet.
- Seven payroll registers (out of 132 sample items) were not available for review to ensure the employee information was correctly reflected in the payroll system.

The timesheets were not signed because employees did not adhere to established FS policy requiring both the employee and supervisor to sign the timesheets. In addition, payroll registers were not available because the FS field offices do not routinely use the registers to reconcile the bi-weekly payroll to the personnel roster.

According to OMB A-123, *Management Accountability and Control*, management should ensure:

- Key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions should be separated among individuals. Managers should exercise appropriate oversight to ensure individuals do not exceed or abuse their assigned authorities.
- Transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.

A lack of manual controls, as well as poor automated controls in the Paycheck system, can cause FS to be exposed to potential fraud, waste and abuse as well as inaccurate payroll costs.

Recommendation No. 9:

We recommend that the FS:

A. Reinforce the requirement that timesheets be signed by both the employee and supervisor of record.
B. Require accounting units to reconcile and certify its payroll registers to its personnel listing bi-weekly and retain this information for periodic reviews and audits.

Material Weakness # 5: The USDA Forest Service Must Improve Its General Controls Environment

During our audit, we identified the following material weaknesses in the design and operation of FS' general controls environment.

- Controls for determining the trustworthiness of personnel and limiting access to information systems – including FS information systems hosted at the National Information Technology Center – need improvement.

- General controls at the National Finance Center need improvement; the FS should work with the Department, as application owner, to sustain an effective operating environment for its general and application control systems at the National Finance Center.

Due to the sensitive nature of the issues identified, we provided FS officials with a separate, limited-distribution report which contains the detailed findings along with specific recommendations.

Material Weakness # 6: The USDA Forest Service Must Improve Its Application Controls for Data Integrity and Access Privileges for Pontius, PRCH, PROP, and EMIS

During our audit we identified the following material weaknesses in the design and operation of FS' application controls.

- Controls in Pontius and PRCH over data input, reconciliation, integrity, and segregation of duties need improvement.
- Controls surrounding PROP user access, system interfaces and automated edit checks need improvement.
- EMIS data validation and correction controls and access privileges need improvement.

Due to the sensitive nature of the issues identified, we provided FS officials with a separate, limited-distribution report which contains the detailed findings along with specific recommendations.

REPORTABLE CONDITIONS

Reportable Condition # 1: Postings of Certain Transactions Do Not Contain the Proper Reference Data to Link Related Transactions

FS business processes require that relevant information needed to link related transactions such as documentation number and agreement number be entered in the general ledger module of Foundation Financial Information System (FFIS) and the related FFIS cost accounting module called Project Cost Accounting System (PCAS). This link facilitates the matching of related transactions which results in a net balance. However, this required information is not mandatory and is not always entered in the system. We noted that the following instances where offsetting transaction were not linked:

- *Trust and Deposit Liabilities* – The trust and deposit extract provided by FS, excluding timber-related transactions, did not contain the net amount of related transactions due to the lack of reference data, such as document number, that is necessary to link related transactions.
- *Accounts Receivable* - Collections related to accounts receivables were not always matched with specific billing documents to generate a net balance. FS created a transaction code in order to capture and net transactions that are posted in FFIS. However, the information needed to link transactions, such as the agreement number, was not entered in the system. As a result, an accurate receivable balance was not always generated.
- *Advances from Others* – Transactions were not always linked due to the absence of relevant data such as agreement numbers. We also noted instances where agreement numbers were modified which prevented accurate linking of relevant transactions, resulting to an inaccurate net balance. As a result, an accurate advances from others balance was not always generated.

Recommendation No. 10:

We recommend that the FS:

A. Develop a methodology to link related transactions that are currently in the financial systems. Additionally, FS should incorporate edit checks to disallow processing of transactions that do not provide the required data.

B. Establish direction and quality assurance protocols to ensure that appropriate data be entered in the system.

Reportable Condition # 2: Reconciliations Between FFIS and Subsidiary Ledgers are Needed

FS does not periodically reconcile, at the FS level, earned revenue, deposit and unearned revenue recorded in the Automated Timber Sale Accounting (ATSA) system with that recorded in FFIS. Additionally, FS does not periodically reconcile advances from others and accounts receivable recorded in the PCAS and general ledger modules of FFIS.

These reconciliation procedures have not been incorporated into the FS financial management process. Sound financial management requires periodic reconciliation of subsidiary ledger and the general ledger The lack of reconciliation may result in misstatement of account balances.

Recommendation No. 11:

We recommend that the FS:

A. Periodically reconcile, at the FS level, earned revenue, deposit and unearned revenue recorded in the ATSA system with that recorded in FFIS.

B. Periodically reconcile advances from others and accounts receivable recorded in the PCAS and general ledger modules of FFIS.

Reportable Condition # 3: Unliquidated Obligation Reconciliations Need Improvement and Additional Related Procedures Need to be Developed

During our internal control testwork at 20 FS locations, we noted that 23 transactions (out of 140 sampled) recorded as obligations as of March 31, 2002 should have been deobligated. These exceptions occurred even after the office completed a requirement imposed by the FS Chief Financial Officer (CFO) that required a FS-wide review and certification of its open obligations as of March 31, 2002.

Some of the primary causes for the exceptions are as follows.

- IPAC payments did not reduce the obligation because document referencing information was not available.
- FEDSTRIP transactions with the General Services Administration (GSA) did not properly deobligate when the delivery order documents were sent to NFC.
- The final payment checkbox was not checked or the final payment did not reduce the obligation to zero.
- A lack of oversight due to personnel vacancies in the financial management office.
- Reference numbers did not match or reference the existing obligation.
- A convenience check was used to pay for a purchase order obligation.
- Obligations entered into FFIS twice.

Also, during our fiscal year-end substantive testwork of unliquidated obligations, we identified two primary areas of weaknesses that related to: (1) a lack of activity posted against the unliquidated obligation, and (2) the lack of supporting documentation to support the obligation. Our testwork disclosed that:

- 28 unliquidated obligations, totaling $3,613,477, were not valid as of September 30, 2002. 14 of these, totaling $3,437,558, had no payments or the period of performance had been expired for one year. The unliquidated obligation balances recorded in FFIS were not valid because FS had not always performed adequate or timely reviews of unliquidated obligation balances. In addition, a policy addressing unique transactions of the FS was not established to deobligate funds if no payments were made or the period of performance had been expired for over one year.

- 14 unliquidated obligations, totaling $1,539,095, were either not supported by obligation documents, or a contract, purchase order, grant or other document supporting the obligation did not agree to the amount obligated in FFIS. FS was unable to provide supporting obligation documents that agreed with the obligation amounts recorded in FFIS.

CFO Bulletin 2002-005, *Review of Undelivered Orders*, requires that all FS obligations that exceed the threshold of $10,000 or are 120 days or older shall be reviewed within 30 days of the end of March 31, and also by September 30. All obligation amounts determined no longer valid shall be deobligated within 30 days. In addition, a certification form is to be provided to the CFO from each Regional Forester, Station Director, Area Director, International Institute of Tropical Forestry Director and all Job Corps and Washington Office Staff Directors.

OMB Circular A-123, *Management Accountability and Control*, states that transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls and other significant events must be clear and readily available for examination.

Because FS has obligations recorded that are no longer needed, FS' obligated balance may be overstated and funds maybe unnecessarily restricted that could be used for other purposes.

Recommendation No. 12:

We recommend that the FS:

A. Revise the existing CFO Bulletin 2002-005 to:
   - Establish specific procedures to be performed for the certification of open obligations,
   - Include a policy for specific duties of the Washington Office, Regional Offices, and Forest Level Offices, and
   - Include information on the retention of documentation supporting the certification review.

B. Require that each accounting unit review and certify its obligations quarterly, with the fourth quarter review and certification occurring as of August 31. In addition, each accounting unit should also ensure that deobligations occur within 30 days from the time the obligation amount is determined to be no longer valid.

C. Work with NFC, via a service level agreement, to create procedures to ensure that payments processed via IPAC and payments made to GSA for FEDSTRIP transactions properly reference the obligation document and reduce the obligation when payments are made.

D. Emphasize first through the issuance of a CFO Bulletin, and then through policy direction in FS manuals and handbooks, the importance of checking the final payment checkbox, when appropriate, to ensure that final payments reduce obligations to zero.

E. Discontinue using convenience checks for paying purchase order obligations and ensure that supervisors reemphasize that convenience checks should not be used for this purpose.

F. Ensure that each accounting unit maintains documentation for amounts obligated in FFIS (i.e., contract, purchase order, grant or other documents supporting the obligation) as long as the obligation is valid, even if the period of time extends beyond the 3 year documentation retention policy.

Reportable Condition # 4: The Grants and Agreements Process Needs Improved Internal Controls As Well As Refined Procedures

Internal Controls Need Improvement at Field Office Locations

During our grant and agreement internal control testwork at 20 FS locations, we noted that FS lacked adequate controls over grants and agreements that were consistently applied at all offices. Specifically, the following control discrepancies were noted during our testwork:

- Grant or agreement award files did not contain written authorization of the grantee or cooperator's representative. The procedure was not followed for 66 grants and agreements in our sample of 140 transactions.
- Grantee's requests for funds, SF-5805, *Request for Payment*, were not approved for payment by a FS representative prior to payment. This procedure was not established or followed for 39 grant and agreements in our sample.
- Agreement award letters to cooperators were either not sent for two agreements or the letters did not contain a proper signature by an appropriate official for one agreement.
- Monitoring procedures were not documented for three grants.

During discussions with FS personnel, we noted that these conditions occurred because either the control was not in current practice or was overlooked.

OMB Circular A-123, *Management Accountability and Controls*, requires that documentation for transactions, management controls, and other significant events should be clear and readily available for examination.

In addition, the FS *Grants Manual* requires FS personnel to:

- Obtain letters from grantees or cooperators stating who is authorized to represent the applicant.
- Provide a grant or agreement award letter that contains proper approval, a statement awarding the grant or agreement, and a statement incorporating all applicable OMB, departmental, and Federal Acquisition Regulations.

Without an effective system of internal controls, FS could have grants and agreements that result in misappropriation of assets as well as potential violations of laws and regulations.

Recommendation No. 13:

We recommend that the FS:

A. Obtain written authorizations for grantee or cooperator's representative.
B. Establish a uniform procedure on how the FS documents reviews and approvals prior to payment.
C. Issue agreement award letters to cooperators upon award of the agreement.
D. Document appropriate monitoring procedures in grants that provide for regular periodic oversight of the grantee.

Improvements Need to be Made to FS' Grants and Agreements Process

During the audit, we requested a listing of all grants and agreements that the FS had as of a particular date. FS was not able to provide such a listing and stated that if we wanted this information that a data call to the field locations would have to be made, since this information is only locally maintained.

In addition, during our substantive testing for grants and agreements (e.g., payments to states, state forester grants, research grants, etc.), we identified several areas where deficiencies existed and the associated causes. Of our sample of 231 expenditures:

- Four did not have a grant or agreement award letter to support the recorded obligation for the expenditures in FFIS. We were not able to obtain the award letters or other support for transactions processed because FS stated they were not available.
- 46 were not properly obligated in advance of the payment of the funds to the grantee or cooperator. The grant and agreement expenditures that were not properly obligated in advance of the payment related to fire suppression services that were performed during FY 2002. The FS does not always obligate specific amounts of funds on agreements for fire suppression expenditures because of the difficulty in estimating costs for these services prior to receiving invoices for goods and services received. In addition, during fiscal year (FY) 2002 the Northeastern Area Office discovered and recorded payments that were made by the Department of Health and Human Services (HHS) on FS' behalf during FY 1997 and 1999.
- 10 were recorded in FFIS and did not agree to the amount recorded on the SF-5805, *Request for Payment,* or invoice. The SF-5805, *Request for Payment,* or invoice requested amount did not agree with the expenditure amounts recorded in FFIS because FS processed the payments based on the unliquidated obligation amounts instead of the amount requested by the grantee. In one situation, the FS did not use the correct requested amount on the SF-5805. Also, in four situations proper documentation/calculations was not available for review.
- 42 were recorded in FY 2002, however we were unable to determine the period of performance because the grantee requested the payments or advances using a SF-5805 or an invoice, which did not document this information. Also in the Northeastern Area Office, we noted that it is difficult to determine the period of performance when the FS receives payment information from HHS. The period of performance could not be obtained because FS does not require the submission of a SF-270 for all grants and agreements.
- 22 did not note the job code on the source documentation (i.e., application for Federal assistance, the grant award letter, the SF-270, the SF-5805, or the grantee's invoice). The lack of job codes on the supporting documentation resulted from FS employee errors in preparation of the document for payment.

OMB Circular A-123, *Management Accountability and Control*, requires that the documentation for transactions, management controls, and other significant events be clear and readily available for examination.

Comptroller General Decision *(39 Comp. Gen. 317. 1959; 37 Comp. Gen. 861,863. 1958; 31 Comp. Gen. 608. 1952)* states that in order to properly obligate an appropriation, some action creating a definite liability against the appropriation must occur during the period of the obligation availability of the appropriation. In the case of grants and agreements, the obligating action will usually be the execution of a grant agreement or a cooperative agreement. As a result, when the grant or agreement award letter is issued, the FS must obligate funds specified in the award letter.

In addition, the FS *Grants Manual* requires that the FS ensure that recipients complete and submit an original SF-270.

FS could be understating its obligations by the amount of unrecorded obligations, overstating or understating expenses in any given year, and not charging expenses to the correct job code/responsibility segment.

Recommendation No. 14:

We recommend that the FS:

A. Develop a system that can be used to track the financial and operational aspects of all grants and agreements.
B. Enter obligations, or at least an estimate of the expected obligations, at the time FS executes a binding agreement with the grantee or cooperator.
C. Review payment data that is entered into FFIS to ensure data integrity (i.e., the correct amount and correct job code are used) and ensure that proper supporting documentation is maintained.
D. Require all grantees and cooperators to submit SF-270's for payments and advances.
E. Require the grantees or cooperators to submit SF-269's on a quarterly basis that ends March 31, June 30, September 30, and December 31.

Recommendation No. 15:

We also recommend that the Northeastern Area Office ensure that the grant related payments processed through HHS are entered into FFIS on a timely basis.

Reportable Condition # 5: Controls Related to Physical Inventories of Capitalized Assets Need Improvement

The FS Washington Office provides capitalized asset written physical inventory instructions to FS' accounting units. We reviewed the instructions and believe they are effectively designed, except as noted below.

For economy and efficiency the FS rotates inventories on a 2 year cycle. Personal property is done in even years and real property is done in odd years. Thus, the personal property inventory records we reviewed were from the current year and the real property records were from the prior year.

Lack Of Signatures and or Dates on Inventory Records

During our testing of inventory procedure controls for property, plant, and equipment, we noted that there were no signatures or inadequate signatures, and/or dates on the inventory reports to confirm that the employee performing the physical inventories had verified the existence of the inventory items. This deficiency was found at two locations of the 18 accounting units tested for personal property and at three locations of the 15 accounting units tested for real property. Unsigned and undated physical inventory lists could result in an overstatement of assets because the physical existence of assets was not verified and/or properly recorded. This condition is cause by a lack of compliance by field units with FS' written inventory instructions.

Floor to Book Procedures were not Designed for Pooled Real Property and not Operating Effectively for Other Types of Property

During our testing of inventory procedure controls for property, plant, and equipment, we identified that "Floor to Book" completeness inventory procedures were not designed for pooled real property and not operating effectively for the other types of property. The deficiency was found at four locations of the 18 locations tested for personal property and at two locations of the 15 locations tested for real property. This deficiency can result in an understatement of assets. This condition is cause by a lack of procedures for pooled real property and a lack of knowledge/training/compliance with FS inventory instructions for other types of property.

Non-Reconciling Items Discovered During Physical Inventories were not Corrected in the Property Systems

During our testing of inventory procedure controls for property, plant, and equipment, we identified that non-reconciling items discovered during the physical inventory were not corrected in the property systems. This deficiency was found at three locations of the 15 locations tested for personal property and at three locations of the 14 locations tested for real property. The effect is an overstatement or an understatement of assets because assets were not properly recorded in the property subsidiary ledgers. This deficiency resulted from a lack of compliance by and/or supervision of the personnel doing the physical inventory.

Recommendation No. 16:

We recommend that the FS:

A. Design and add to appropriate physical inventory instructions steps for the completeness testing of pooled real property.
B. Train employees on the proper physical inventory procedures.
C. Monitor accounting units for compliance with the FS written physical inventory instructions.

Reportable Condition No. 6: Procurement Controls and Procedures Need Improvement

Internal Controls Need Improvement at Field Office Locations

During our procurement internal control testwork at 20 FS locations, we noted that FS lacked adequate controls that were consistently applied. The internal control weaknesses noted were as follows:

- 15 purchase card holders did not have authorizations on file to be purchase card holders,
- Four procurement transactions and one credit card transaction were missing documentation, and
- Three field office Local Area Procurement Coordinators (LAPC) did not perform or document reviews of credit card reconciliations.

With regards to the purchase card holders authorizations and the 12 transactions that were missing documentation, FS was either unable to provide or timely provide the documentation requested. In addition, credit card reconciliations are not consistently performed across FS nor is the methodology of performance consistent across FS.

OMB Circular A-123, *Management Accountability and Control*, states that transactions should be promptly recorded, properly classified and accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls and other significant events must be clear and readily available for examination. In addition, key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions should be separated among individuals. Managers should exercise appropriate oversight to ensure individuals do not exceed or abuse their assigned authorities.

If FS does not maintain supporting documentation for authorization of cardholders and does not always perform management reviews of cardholder activity the potential for misuse of the government credit card can occur.

Recommendation No 17:

We recommend that the FS:

A. Ensure that all FS purchase cardholders are authorized in writing.
B. Ensure purchase requisitions, invoices and invoice receipt certifications are properly prepared, received and accepted, approved, and maintained for review.
C. Develop policies and procedures that require the LAPCs to perform specific procedures, including a review of the card holders reconciliation, for their reviews of purchase cardholders and require this review to be performed monthly.

Improvements Need to be Made to FS' Procurement Process

During the audit, we requested a listing of all contracts that the FS had as of a particular date. FS was not able to provide such a listing and stated that if we wanted this information that a data call to the field locations would have to be made since the information is not centrally maintained.

During our substantive testing of non-grant/non-payroll procurement expenditures, we identified several areas where deficiencies existed in the process and the causes associated with them. Of our sample of 509 procurement expenditures:

- Seven were not properly supported by obligation documents (i.e., contracts, purchase orders, purchase requisitions, travel orders, delivery orders etc.). The expenditures were not properly supported by an obligation document, because either FS: (1) has not historically obligated fire suppression services prior to payment, or (2) could not support the obligation with adequate documentation.
- Eight were not supported by any documentation or the documentation was not calculated properly. Invoices, travel orders, or documentation to support expense were not properly calculated because of personnel errors or documentation was not available per the FS.
- 16 did not have supporting documentation (i.e., invoices, contracts, purchase orders, receiving reports, travel orders, delivery orders or transaction register amounts) that agree with the expenditure amounts recorded in FFIS. The FS did not properly record the expenditure amounts in FFIS or provide adequate documentation.
- 33 expenditure samples did not have job codes that agreed with the job code on the source documents. The lack of job codes on the supporting documentation resulted from FS employee errors in preparation of the document for payment.

OMB circular A-123, *Management Accountability and Control*, requires that documentation for transactions, management controls, and other significant events be clear and readily available for

examination. In addition, according to Federal Appropriation Law (*subsection of (a) of 31 U.S.C. 1501)* "an amount shall be recorded as an obligation of the United States Government only when supported by documentary evidence of ..."

FS could be understating its obligations by the amount of unrecorded obligations, overstating or understating expenses in any given year, and not charging expenses to the correct job code/responsibility segment.

Recommendation No. 18:

We recommend that the FS:

A. Develop a centralized reporting system for all contracts.
B. Ensure that the expenditures are supported by obligation documents and are obligated in FFIS at the time FS has entered into a binding agreement with another party. If exact obligations are initially unknown, estimates based upon historical activity should be made and subsequently adjusted when exact amounts are known.
C. Ensure that all supporting documentation is available for examination.
D. Emphasize that all invoices or similar documents are to be closely and accurately reviewed by an individual separate from the data entry person and that FFIS expenditure amounts are accurately recorded.
E. Assure that job codes are accurately recorded on all source documents and are properly recorded in FFIS.

Reportable Condition # 7: USDA Forest Service Information Systems Need Improvements in Addition to the Material Weaknesses Noted In Exhibit I

During our audit we identified the following weaknesses in the design and operation of FS' internal control structure:

- Identification of critical data/operations, backup and recovery procedures and disaster recovery planning needs improvement.
- Unauthorized points of presence to the Internet need to be identified, documented and approved or shut down.
- Application systems utilized in the development of the financial statements have not been subjected to the accreditation process.
- Controls around ATSA documentation and duplicate transactions and ATSA user access reviews need improvement.
- Controls surrounding FFIS user access, edit checks, and reconciliation with feeder systems need improvement.

Due to the sensitive nature of the issues identified, we provided FS officials with a separate, limited-distribution report which contains the detailed findings along with specific recommendations.

NON-COMPLIANCE WITH FFMIA

FS Systems are Not Compliant with Federal Financial System Requirements

During our audit we noted that FS does not have timely formal certification and accreditations performed on its PONTIUS/PRCH and EMIS/PROP applications. A certification and accreditation is a requirement for systems that comply with FFMIA, Joint Financial Management Improvement Program (JFMIP) standards, and OMB Circular A-130, *Management of Federal Information Resources*.

Because of this observation and our other observations of application control weaknesses in the PONTIUS/PRCH and EMIS/PROP systems, these systems are not in compliance with FFMIA. Also, during our testwork we noted that EMIS does not have a history file. A history file is one of the required elements for JFMIP compliant systems. The NFC maintains these systems or significant components of them.

Recommendation No. 1:

We recommend that the FS work with the NFC to take steps to certify and accredit the PONTIUS/PRCH and EMIS/PROP systems or replace legacy systems.

FS Revenue Collections from Certain Business Processes Are Not Recognized As Revenue When Earned

We noted that FS does not recognize revenue at the point of sale for certain collections. Instead FS collects these receipts and maintains them in its suspense and clearing account until it has an operational need for these funds, at which time the funds are spent and a revenue and expense is recorded. Some examples of the revenues that are not currently recognized at the point of sale are as follows:

- *Map Sales* – Collections of earned revenue related to sale of maps by FS is deposited into a suspense account and not recognized as earned revenue until FS uses the proceeds to purchase more maps. FS treats the collections as reimbursable revenue by transferring the funds from the Treasury suspense account into an appropriated account.
- *National Recreation Reservation System* – Collections received for camp site reservations are not recognized as revenue when earned. The collections are deposited into the Treasury suspense account and is recognized as revenue when it transferred to an appropriated account.

Because FS does not recognize revenue at the point of sale for these and other transactions, it is not in compliance with SFFAS Number 7, *Accounting for Revenue and Other Financing Sources* as well as the United States Standard General Ledger (SGL) posting logic.

FS was not aware of this non-compliance and as a result did not have SGL posting logic that was compliant with the applicable standards.

Recommendation No. 2:

We recommend that the FS:

A. Work with the U.S. Department of the Treasury to establish the appropriate Treasury symbol.
B. Develop a posting model to ensure that revenue is recognized when earned.
C. Notify and train FS personnel on the new revenue posting model.

Appendix C—Required Supplementary Information

Deferred Maintenance
Statement of Budgetary Resources by Segment
Intragovernmental Amounts

Deferred Maintenance

Overview

Deferred maintenance is maintenance that was scheduled to be performed and was delayed until a future period. Deferred maintenance represents a cost that the Government has elected not to fund, and therefore, the costs are not reflected in the financial statements. Maintenance is defined to include preventative maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable service and achieve its expected life. It excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to service needs different from, or significantly greater than, those originally intended. Deferred maintenance is reported for general Property, Plant and Equipment (PP&E), stewardship assets, and heritage assets. It is also reported separately for critical and noncritical amounts of maintenance needed to return each class of asset to its acceptable operating condition.

As of September 30, 2002, Deferred Maintenance Totals by Asset Class
$ In Thousands

Asset Class	Overall Condition (1)	Cost to Return to Acceptable Condition	Critical Maintenance (2)	Noncritical Maintenance (3)
Buildings and Administration Facilities	Varies	$ 518,153	$ 189,342	$ 328,811
Dams	Varies	29,975	9,438	20,536
Heritage	Varies	73,187	42,090	31,097
Range Improvements	Varies	491,062	490,899	163
Recreation Facilities[a/]	Varies	291,071	99,224	191,847
Roads and Bridges	Varies	4,954,964	1,161,371	3,793,594
Trails[a/]	Varies	137,888	51,316	86,573
Wildlife, fish, threatened & endangered species	Varies	4,287	3,017	1,270
Totals[b/]		**$ 6,500,586**	**$ 2,046,697**	**$ 4,453,890**

Total USDA Forest Service "system" road mileage is 382,300 miles as of September 30, 2002.
[a]The USDA Forest Service used the Fiscal Year (FY) 2001 Deferred Maintenance values for General Forest Area under the recreation facilities component and for trails under the trails component. These components were in a computer application transition at the time of collection and the process for collecting data was not operational.
[b]Overall agency indirect cost of managing the program is 19 percent (not included in the figures above).

(1)Overall Condition: Condition of major classes of property range from poor to good depending on location, age, and type of property. There is currently no comprehensive national assessment of USDA Forest Service property. The current deferred maintenance estimates were based on statistical and random sampling. The USDA Forest Service is working on a long-range plan to make condition assessments on all major classes of property.
(2)Critical Maintenance: A requirement that addresses a serious threat to public health or safety, a natural resource, or the ability to carry out the mission of the organization.
(3)Noncritical Maintenance: A requirement that addresses potential risk to the public or employee safety or health (e.g., compliance with codes, standards, or regulations). Addresses potential adverse consequences to natural resources or mission accomplishment.

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The USDA Forest Service uses condition surveys to estimate deferred maintenance on all major classes of PP&E. There is no deferred maintenance for fleet vehicles and computers that are managed through the agency's working capital fund. Each fleet vehicle is maintained according to schedule. The cost of maintaining the remaining classes of equipment is expensed.

Condition of Administrative Facilities: The condition of administrative facilities is summarized by the following:

- 22 percent of buildings are obsolete, over 50 years old,
- 27 percent of buildings are in poor condition needing major alterations and renovations,
- 24 percent of buildings are in fair condition needing minor alterations and renovations, and
- 27 percent of buildings are in good condition needing only routine maintenance and repairs.

Condition of Dams: The overall condition of dams is below acceptable. The condition of a dam is acceptable when the dam meets current design standards and does not have any deficiencies that threaten the safety of the structure or public, or are needed to restore functional use, correct unsightly conditions, or prevent more costly repairs.

Condition of General Property, Plant and Equipment: The standards for acceptable operating condition for various classes of general PP&E, stewardship and heritage assets are as follows:

- *Buildings:* Comply with the National Life Safety Code, the Forest Service Health and Safety Handbook, and the Occupational Safety Health Administration as determined by condition surveys.
- *Dams:* Managed according to Forest Service Manual (FSH) 7500, Water Storage and Transmission, and Forest Service Handbook (FSH) 7509.11, Dams Management, as determined by condition surveys.
- *Heritage Assets:* These assets include archaeological sites that require determinations of National Register of Historic Places status, National Historic Landmarks, and significant historic properties. Some heritage assets may have historical significance, but their primary function within the agency is as visitation or recreation sites and, therefore, may not fall under the management responsibility of the heritage program.
- *Range Structures:* The condition assessment was based on: 1) a determination by knowledgeable range specialists or other district personnel of whether or not the structure would perform the originally intended function, and 2) a determination through the use of a protocol system to assess conditions based on age. A long-range methodology is used to gather this data.
- *Developed Recreation Sites:* This category that includes campgrounds, trailheads, trails, wastewater facilities, interpretive facilities, and visitor centers. All developed sites are managed in accordance with Federal laws and regulations (CFR 36). Detailed management guidelines are contained in FSM 2330, Publicly Managed Recreation Opportunities and regional and forest level user guides. Standards of quality for developed recreation sites were developed under the meaningful measures system and established for the following categories: health and cleanliness, settings, safety and security, responsiveness, and the condition of facility.

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- *Roads and Bridges:* Conditions of the NFS road system are measured by various standards that include applicable regulations of the Highway Safety Act developed by the Federal Highway Administration, best management practices for road construction and maintenance developed by the Environmental Protection Agency and States to implement the nonpoint source provisions of the Clean Water Act, road management objectives developed through the forest planning process prescribed by the National Forest Management Act, and the requirements of Forest Service manuals and handbooks.
- *Trails:* Trails are managed according to Federal law and regulations (CFR 36). More specific direction is contained in FSM 2350, Trail, River, and Similar Recreation Opportunities and the Forest Service Trails Management Handbook (FSH 2309.18).
- *Wildlife, Fish, and Threatened and Endangered Species Structure:* Field biologists at the forest used their professional judgment to determine deferred maintenance. Deferred maintenance was considered as upkeep that had not occurred on a regular basis. The amount was considered critical if resource damage or species endangerment would likely occur if maintenance was deferred much longer.

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U. S. Department of Agriculture
Forest Service
Combined Statement of Budgetary Resources by Responsibility Segment
For the Year Ended September 30, 2002
(In Thousands)

	National Forests and Grasslands	Forest and Rangeland Research	State and Private Forestry	Working Capital Fund	Fire and Aviation Management	Total
Budgetary Resources:						
Budget Authority:						
Appropriations Received	$ 2,727,573	$ 241,368	$ 292,250	$ -	$ 1,834,496	$ 5,095,687
Borrowing Authority	-	-	-	-	-	-
Contract Authority	-	-	-	-	-	-
Net Transfers	36,485	(16)	5,524	-	(144,400)	(102,407)
Other	-	-	-	-	-	-
Unobligated Balance:						
Beginning of Period (Note 15)	1,022,324	76,605	32,933	23,221	96,268	1,251,351
Net Transfers, Actual	6	-	-	-	110,000	110,006
Anticipated Transfers Balances	-	-	-	-	-	-
Spending Authority from Offsetting Collections:						
Earned						
Collected	150,080	23,290	7,782	228,439	474,381	883,972
Receivable from Federal Sources	(55,902)	(82,528)	(7,544)	(2,184)	(8,981)	(157,139)
Change in Unfilled Customers' Orders						
Advance Received	(32,219)	3,987	2,687	26	(16,661)	(42,179)
Without Advance from Federal Sources	9,930	14,852	(370)	-	1,967	26,379
Anticipated for the Rest of Year, Without Advances	-	-	-	-	-	-
Transfers from Trust Funds	-	-	-	-	-	-
Subtotal	71,890	(40,399)	2,555	26,281	450,706	11,034
Recoveries of Prior Year Obligations	37,880	2,255	418	8,160	19,576	68,289
Temporarily not Available Pursuant to Public Law	-	-	-	-	-	-
Permanently not Available	(11,747)	(2,013)	(663)	-	(4,146)	(18,568)
Total Budgetary Resources	$ 3,884,412	$ 277,800	$ 333,017	$ 257,662	$ 2,362,502	$ 7,115,392

See Independent Auditor's Report

U. S. Department of Agriculture
Forest Service
Combined Statement of Budgetary Resources by Responsibility Segment
For the Year Ended September 30, 2002
(In Thousands)

	National Forests and Grasslands	Forest and Rangeland Research	State and Private Forestry	Working Capital Fund	Fire and Aviation Management	Total
Status of Budgetary Resources:						
Obligations Incurred (Note 14)	$ 3,057,093	$ 279,869	$ 285,613	$ 161,695	$ 2,118,736	$ 5,903,006
Unobligated Balance:						
Apportioned	657,232	14,675	51,213	(163,160)	337,986	897,946
Exempt from Apportionment	(4,817)	-	-	-	-	(4,817)
Other Available	-	-	-	-	-	-
Unobligated Balance Available	174,904	(16,744)	(3,809)	259,126	(94,220)	319,258
Total Status of Budgetary Resources	3,884,412	277,800	333,017	257,662	2,362,502	7,115,392
Relationship of Obligations to Outlays:						
Obligated Balance, Net, Beginning of Period (Note 15)	776,562	37,858	375,413	129,445	176,789	1,496,066
Obligated Balance Transferred, Net	-	-	-	-	-	-
Obligated Balance, Net, End of Period:						
Accounts R eceivable	(14,545)	38,349	3,509	(3,953)	(115,234)	(91,873)
Unfilled Customers Orders from Federal Sources	(98,738)	(41,114)	(1,510)	-	(4,726)	(146,088)
Undelivered Orders	307,360	83,678	355,475	16,397	222,016	984,926
Accounts Payable	311,170	24,842	(11,760)	19,271	83,187	426,709
Outlays:						
Disbursements	3,336,500	277,394	322,808	253,449	2,097,719	6,287,869
Collections	(117,862)	(27,277)	(10,468)	(228,465)	(457,720)	(841,793)
Subtotal	3,218,638	250,117	312,339	24,984	1,639,998	5,446,076
Less: Offsetting Receipts	534,067	23,246	6,293	218,409	69,448	851,463
Net Outlays	$ 2,684,571	$ 226,871	$ 306,046	$ (193,425)	$ 1,570,550	$ 4,594,613

Intragovernmental Amounts (In Dollars)

Assets:	Fund Balance with Treasury [Freeze Panes Here]	Accounts Receivable	Investments	Other
Trading Partner (Code)				
Unknown (00)		10,854,604	-	879,971
Library of Congress (03)		-	-	-
Government Printing Office (04)		-	-	-
General Accounting Office (05)		-	-	-
Congressional Budget Office (08)		-	-	-
Other Legislative Branch Agencies (09)		-	-	-
The Judiciary (10)		-	-	-
Executive Office of the President (11)		-	-	-
Department of Agriculture (12)		21,278,288	-	50,000
Department of Commerce (13)		(187,281)	-	-
Department of Interior (14)		1,627,718	-	(6,181)
Department of Justice (15)		420,621	-	-
Department of Labor (16)		6,794,803	-	-
Department of the Navy (17)		-	-	-
U.S. Postal Service (18)		139,827	-	594
Department of State (19)		-	-	-
Department of the Treasury (20)	2,824,948,345	4,004	2,039,704	-
Department of the Army (21)		4,152,596	-	-
Resolution Trust Corporation (22)		-	-	-
U S. Tax Court (23)		-	-	-
Office of Personnel Management (24)		-	-	-
National Credit Union Administration (25)		-	-	-
Federal Retirement Thrift Investment Board (26)		-	-	-
Federal Communications Commission (27)		-	-	-
Social Security Administration (28)		35,574	-	-
Federal Trade Commission (29)		-	-	-
U.S. Nuclear Regulatory (31)		-	-	-
Smithsonian Institution (33)		-	-	-
International Trade Commission (34)		-	-	-
Department of Veterans Affairs (36)		-	-	-
Merit Systems Protection Board (41)		-	-	-
Pennsylvania Avenue Development Corporation (42)		-	-	-
U S. Equal Employment Opportunity Commission (45)		-	-	-
Appalachian Regional Commission (46)		-	-	-
General Services Administration (47)		4,418	-	-
Independent Agencies (48)		-	-	-
National Science Foundation (49)		-	-	-
Securities and Exchange Commission (50)		-	-	-
Federal Deposit Insurance Corporation (51)		-	-	-
Federal Labor Relations Authority (54)		-	-	-
Advisory Commission on Intergovernmental Relations (55)		-	-	-
Central Intelligence Agency (56)		-	-	-

Department of the Air Force (57)		169,037	-	-
Federal Emergency Management Agency (58)		142,001	-	-
National Foundation on the Arts and the Humanities (59)		-	-	-
Railroad Retirement Board (60)		-	-	-
Consumer Product Safety Commission(61)		-	-	-
Office of Special Counsel (62)		-	-	-
National Labor Relations Board (63)		-	-	-
Tennessee Valley Authority (64)		-	-	-
Federal Maritime Commission (65)		-	-	-
United States Information Agency (67)		-	-	-
Environmental Protection Agency (68)		221,763	-	-
Department of Transportation (69)		2,474,645	-	(899,731)
Overseas Private Investment Corporation (71)		-	-	-
Agency for International Development (72)		162	-	-
Small Business Administration (73)		-	-	-
American Battle Monuments Commission (74)		-	-	-
Department of Health and Human Services (75)		(1,135)	-	-
Independent Agencies (76)		-	-	-
Farm Credit (78)		-	-	-
National Aeronautics and Space Administration (80)		652,699	-	-
Export-Import Bank of the United States (83)		-	-	-
Armed Forces Retirement Home (84)		-	-	-
Department of Housing and Urban Development (86)		137,412	-	-
National Archives and Records Administration (88)		-	-	-
Department of Energy (89)		16,072,627	-	-
Selective Service System (90)		-	-	-
Department of Education (91)		-	-	-
Federal Mediation and Conciliation Service (93)		-	-	-
Arms Control and Disarmament Agency (94)		-	-	-
Independent Agencies (95)		-	-	-
U.S. Army Corps of Engineers (96)		198,543	-	5,377
Office of the Secretary of Defense-Defense Agencies (97)		916,769	-	(200)
Treasury General Fund (99)		-	-	-
Total Assets	2,824,948,345	66,109,695	2,039,704	29,831

Liabilities: Trading Partner (Code)	Resources Payable to Treasury	Accounts Payable	Debt	Other
Unknown (00)		(29,149)	-	(374,665,841)
Library of Congress (03)		-	-	-
Government Printing Office (04)		-	-	40,151
General Accounting Office (05)		-	-	-
Congressional Budget Office (08)		-	-	-
Other Legislative Branch Agencies (09)		-	-	-
The Judiciary (10)		-	-	-
Executive Office of the President (11)		-	-	-
Department of Agriculture (12)		(112,874)	-	(35,417,354)
Department of Commerce (13)		-	-	(103,284)
Department of Interior (14)		21,339	-	(68,642,675)
Department of Justice (15)		14,312	-	(5,648,754)
Department of Labor (16)		-	-	(63,909,626)
Department of the Navy (17)		-	-	45,000
U.S. Postal Service (18)		-	-	-
Department of State (19)		-	-	(327,906)
Department of the Treasury (20)		-	-	(36,924,309)
Department of the Army (21)		(6,530)	-	(279,235)
Resolution Trust Corporation (22)		-	-	-
U.S. Tax Court (23)		-	-	-
Office of Personnel Management (24)		-	-	(8,435,798)
National Credit Union Administration (25)		-	-	-
Federal Retirement Thrift Investment Board (26)		-	-	-
Federal Communications Commission (27)		-	-	-
Social Security Administration (28)		-	-	-
Federal Trade Commission (29)		-	-	-
U.S. Nuclear Regulatory (31)		-	-	(1,845)
Smithsonian Institution (33)		-	-	-
International Trade Commission (34)		-	-	-
Department of Veterans Affairs (36)		-	-	16,213
Merit Systems Protection Board (41)		-	-	-
Pennsylvania Avenue Development Corporation (42)		-	-	-
U.S. Equal Employment Opportunity Commission (45)		-	-	750
Appalachian Regional Commission (46)		-	-	-
General Services Administration (47)		-	-	(11,624,251)
Independent Agencies (48)		-	-	-
National Science Foundation (49)		-	-	-
Securities and Exchange Commission (50)		-	-	-
Federal Deposit Insurance Corporation (51)		-	-	-
Federal Labor Relations Authority (54)		-	-	-
Advisory Commission on Intergovernmental Relations (55)		-	-	-
Central Intelligence Agency (56)		-	-	-
Department of the Air Force (57)		-	-	-

Federal Emergency Management Agency (58)		-	-	(348,304)
National Foundation on the Arts and the Humanities (59)		-	-	(200,000)
Railroad Retirement Board (60)		-	-	-
Consumer Product Safety Commission(61)		-	-	-
Office of Special Counsel (62)		-	-	-
National Labor Relations Board (63)		-	-	10,669
Tennessee Valley Authority (64)		-	-	-
Federal Maritime Commission (65)		-	-	-
United States Information Agency (67)		-	-	-
Environmental Protection Agency (68)		-	-	7,702
Department of Transportation (69)		-	-	(78,727)
Overseas Private Investment Corporation (71)		-	-	-
Agency for International Development (72)		-	-	(4,347,113)
Small Business Administration (73)		-	-	-
American Battle Monuments Commission (74)		-	-	-
Department of Health and Human Services (75)		-	-	(38,316)
Independent Agencies (76)		-	-	-
Farm Credit (78)		-	-	-
National Aeronautics and Space Administration (80)		-	-	(70,486)
Export-Import Bank of the United States (83)		-	-	-
Armed Forces Retirement Home (84)		-	-	-
Department of Housing and Urban Development (86)		-	-	-
National Archives and Records Administration (88)		-	-	-
Department of Energy (89)		-	-	(177,019)
Selective Service System (90)		-	-	-
Department of Education (91)		-	-	-
Federal Mediation and Conciliation Service (93)		-	-	(38)
Arms Control and Disarmament Agency (94)		-	-	-
Independent Agencies (95)		-	-	-
U.S. Army Corps of Engineers (96)		(900,606)	-	66,108,894
Office of the Secretary of Defense-Defense Agencies (97)		25,450	-	(565,012)
Treasury General Fund (99)	-	-	-	-
Total Liabilities	-	(988,059)	-	(545,576,515)

Earned Revenue Federal: Trading Partner (Code)	Earned Revenue Federal
Unknown (00)	(15,239,793)
Library of Congress (03)	-
Government Printing Office (04)	-
General Accounting Office (05)	-
Congressional Budget Office (08)	-
Other Legislative Branch Agencies (09)	-
The Judiciary (10)	-
Executive Office of the President (11)	-
Department of Agriculture (12)	(11,097,431)
Department of Commerce (13)	(399,599)
Department of Interior (14)	(35,277,436)
Department of Justice (15)	(414,536)
Department of Labor (16)	(56,627,889)
Department of the Navy (17)	(9,169)
U.S. Postal Service (18)	(889,634)
Department of State (19)	(43,432)
Department of the Treasury (20)	(615,816)
Department of the Army (21)	(9,127,615)
Resolution Trust Corporation (22)	-
U.S. Tax Court (23)	-
Office of Personnel Management (24)	-
National Credit Union Administration (25)	-
Federal Retirement Thrift Investment Board (26)	-
Federal Communications Commission (27)	-
Social Security Administration (28)	(36,012)
Federal Trade Commission (29)	-
U.S. Nuclear Regulatory (31)	-
Smithsonian Institution (33)	-
International Trade Commission (34)	-
Department of Veterans Affairs (36)	-
Merit Systems Protection Board (41)	-
Pennsylvania Avenue Development Corporation (42)	-
U.S. Equal Employment Opportunity Commission (45)	-
Appalachian Regional Commission (46)	-
General Services Administration (47)	(6,952,220)
Independent Agencies (48)	-
National Science Foundation (49)	-
Securities and Exchange Commission (50)	-
Federal Deposit Insurance Corporation (51)	-
Federal Labor Relations Authority (54)	-
Advisory Commission on Intergovernmental Relations (55)	-
Central Intelligence Agency (56)	-
Department of the Air Force (57)	(165,037)
Federal Emergency Management Agency (58)	5,816,299

National Foundation on the Arts and the Humanities (59)	50,000
Railroad Retirement Board (60)	-
Consumer Product Safety Commission(61)	-
Office of Special Counsel (62)	-
National Labor Relations Board (63)	-
Tennessee Valley Authority (64)	-
Federal Maritime Commission (65)	-
United States Information Agency (67)	-
Environmental Protection Agency (68)	(851,050)
Department of Transportation (69)	(6,916,478)
Overseas Private Investment Corporation (71)	-
Agency for International Development (72)	(5,766,700)
Small Business Administration (73)	-
American Battle Monuments Commission (74)	-
Department of Health and Human Services (75)	564
Independent Agencies (76)	-
Farm Credit (78)	-
National Aeronautics and Space Administration (80)	(982,217)
Export-Import Bank of the United States (83)	-
Armed Forces Retirement Home (84)	-
Department of Housing and Urban Development (86)	(444,950)
National Archives and Records Administration (88)	-
Department of Energy (89)	(22,018,333)
Selective Service System (90)	-
Department of Education (91)	-
Federal Mediation and Conciliation Service (93)	-
Arms Control and Disarmament Agency (94)	-
Independent Agencies (95)	-
U.S. Army Corps of Engineers (96)	(771,586)
Office of the Secretary of Defense-Defense Agencies (97)	(1,314,614)
Treasury General Fund (99)	-
Total Earned Revenue Federal	(170,094,682)

Cost to Generate Earned Revenue Federal: Functional Classification	Federal and Non-Federal
050 National Defense	-
150 International Affairs	-
250 General Science, Space, and Technology	-
270 Energy	-
300 Natural Resources and Environment	5,226,684,163.23
350 Agriculture	349,142.22
370 Commerce and Housing Credit	-
400 Transportation	-
450 Community and Regional Development	248,694.64
500 Education, Training, Employment, and Social Services	-
550 Health	-
570 Medicare	-
600 Income Security	-
650 Social Security	-
700 Veterans Benefits and Services	-
750 Administration of Justice	-
800 General Government	500,209,680.07
900 Net Interest	-
920 Allowances	-
950 Undistributed Offsetting Receipts	-
999 Multifunction Account	-
Total Cost to General Revenue	5,727,491,680

Cost Federal:

Trading Partner (Code)	Cost Federal
Unknown (00)	(529,649,358)
Library of Congress (03)	32,160
Government Printing Office (04)	5,852,935
General Accounting Office (05)	-
Congressional Budget Office (08)	-
Other Legislative Branch Agencies (09)	-
The Judiciary (10)	-
Executive Office of the President (11)	-
Department of Agriculture (12)	588,640,478
Department of Commerce (13)	1,719,769
Department of Interior (14)	65,216,962
Department of Justice (15)	2,209,070
Department of Labor (16)	29,124,909
Department of the Navy (17)	138,746
U.S. Postal Service (18)	661,663
Department of State (19)	1,071
Department of the Treasury (20)	24,217,628
Department of the Army (21)	1,403,837
Resolution Trust Corporation (22)	-
U.S. Tax Court (23)	-
Office of Personnel Management (24)	415,862,217
National Credit Union Administration (25)	-
Federal Retirement Thrift Investment Board (26)	-
Federal Communications Commission (27)	-
Social Security Administration (28)	-
Federal Trade Commission (29)	-
U.S. Nuclear Regulatory (31)	-
Smithsonian Institution (33)	32,000
International Trade Commission (34)	-
Department of Veterans Affairs (36)	586,743
Merit Systems Protection Board (41)	-
Pennsylvania Avenue Development Corporation (42)	-
U.S. Equal Employment Opportunity Commission (45)	2,250
Appalachian Regional Commission (46)	-
General Services Administration (47)	64,614,543
Independent Agencies (48)	-
National Science Foundation (49)	85,000
Securities and Exchange Commission (50)	-
Federal Deposit Insurance Corporation (51)	-
Federal Labor Relations Authority (54)	-
Advisory Commission on Intergovernmental Relations (55)	-
Central Intelligence Agency (56)	-
Department of the Air Force (57)	211,410
Federal Emergency Management Agency (58)	113,613
National Foundation on the Arts and the Humanities (59)	-

Railroad Retirement Board (60)	-
Consumer Product Safety Commission(61)	-
Office of Special Counsel (62)	1,019
National Labor Relations Board (63)	-
Tennessee Valley Authority (64)	-
Federal Maritime Commission (65)	-
United States Information Agency (67)	-
Environmental Protection Agency (68)	865,277
Department of Transportation (69)	(49,979)
Overseas Private Investment Corporation (71)	-
Agency for International Development (72)	-
Small Business Administration (73)	-
American Battle Monuments Commission (74)	-
Department of Health and Human Services (75)	424,493
Independent Agencies (76)	-
Farm Credit (78)	-
National Aeronautics and Space Administration (80)	271,138
Export-Import Bank of the United States (83)	-
Armed Forces Retirement Home (84)	-
Department of Housing and Urban Development (86)	-
National Archives and Records Administration (88)	-
Department of Energy (89)	691,771
Selective Service System (90)	-
Department of Education (91)	-
Federal Mediation and Conciliation Service (93)	4,280
Arms Control and Disarmament Agency (94)	-
Independent Agencies (95)	-
U.S. Army Corps of Engineers (96)	2,268,630
Office of the Secretary of Defense-Defense Agencies (97)	3,756,571
Treasury General Fund (99)	-
Total Cost Federal	679,310,846

Non-exchange Revenue Federal:	Transfers-In	Transfers-Out	Other
Trading Partner (Code)			
Unknown (00)	257,849,460	97,569,448	-
Library of Congress (03)	-	-	-
Government Printing Office (04)	-	-	-
General Accounting Office (05)	-	-	-
Congressional Budget Office (08)	-	-	-
Other Legislative Branch Agencies (09)	-	-	-
The Judiciary (10)	-	-	-
Executive Office of the President (11)	-	-	-
Department of Agriculture (12)	629,031,855	509,922,399	44,571,000
Department of Commerce (13)	-	-	-
Department of Interior (14)	-	-	-
Department of Justice (15)	-	-	-
Department of Labor (16)	-	-	-
Department of the Navy (17)	-	-	-
U.S. Postal Service (18)	-	-	-
Department of State (19)	-	-	-
Department of the Treasury (20)	-	-	9,183,813
Department of the Army (21)	-	-	-
Resolution Trust Corporation (22)	-	-	-
U.S. Tax Court (23)	-	-	-
Office of Personnel Management (24)	-	-	135,069,386
National Credit Union Administration (25)	-	-	-
Federal Retirement Thrift Investment Board (26)	-	-	-
Federal Communications Commission (27)	-	-	-
Social Security Administration (28)	-	-	-
Federal Trade Commission (29)	-	-	-
U.S. Nuclear Regulatory (31)	-	-	-
Smithsonian Institution (33)	-	-	-
International Trade Commission (34)	-	-	-
Department of Veterans Affairs (36)	-	-	-
Merit Systems Protection Board (41)	-	-	-
Pennsylvania Avenue Development Corporation (42)	-	-	-
U.S. Equal Employment Opportunity Commission (45)	-	-	-
Appalachian Regional Commission (46)	-	-	-
General Services Administration (47)	33,627	33,627	-
Independent Agencies (48)	-	-	-
National Science Foundation (49)	-	-	-
Securities and Exchange Commission (50)	-	-	-
Federal Deposit Insurance Corporation (51)	-	-	-
Federal Labor Relations Authority (54)	-	-	-
Advisory Commission on Intergovernmental Relations (55)	-	-	-
Central Intelligence Agency (56)	-	-	-
Department of the Air Force (57)	-	-	-
Federal Emergency Management Agency (58)	-	-	-
National Foundation on the Arts and the Humanities (59)	-	-	-

Railroad Retirement Board (60)	-	-	-
Consumer Product Safety Commission(61)	-	-	-
Office of Special Counsel (62)	-	-	-
National Labor Relations Board (63)	-	-	-
Tennessee Valley Authority (64)	-	-	-
Federal Maritime Commission (65)	-	-	-
United States Information Agency (67)	-	-	-
Environmental Protection Agency (68)	-	-	-
Department of Transportation (69)	-	-	-
Overseas Private Investment Corporation (71)	-	-	-
Agency for International Development (72)	-	-	-
Small Business Administration (73)	-	-	-
American Battle Monuments Commission (74)	-	-	-
Department of Health and Human Services (75)	-	-	-
Independent Agencies (76)	-	-	-
Farm Credit (78)	-	-	-
National Aeronautics and Space Administration (80)	-	-	-
Export-Import Bank of the United States (83)	-	-	-
Armed Forces Retirement Home (84)	-	-	-
Department of Housing and Urban Development (86)	-	-	-
National Archives and Records Administration (88)	-	-	-
Department of Energy (89)	-	-	-
Selective Service System (90)	-	-	-
Department of Education (91)	-	-	-
Federal Mediation and Conciliation Service (93)	-	-	-
Arms Control and Disarmament Agency (94)	-	-	-
Independent Agencies (95)	-	-	-
U.S. Army Corps of Engineers (96)	-	-	-
Office of the Secretary of Defense-Defense Agencies (97)	-	-	-
Treasury General Fund (99)	-	-	-
Total Non-exchange Revenue Federal	886,914,943	607,525,475	188,824,199

Segment Information
(In Dollars)

Condensed Information	Departmental Working Capital Fund	Forest Service Working Capital Fund	Total Working Capital Funds
Assets			
Fund Balance	-	107,816,965	-
Accounts Receivable	-	1,592,373	-
Property, Plant, and Equipment	-	337,940,842	-
Other Assets	-	22,108,372	-
Total Assets	-	469,458,552	-
Liabilities and Net Position			
Accounts Payable	-	17,081,916	-
Deferred Revenues	-		-
Other Liabilities	-	(37,936,120)	-
Unexpended Appropriations	-	4,519,860	-
Cumulative Results of Operations	-	485,792,895	-
Total Liabilities and Net Position	-	469,458,552	-

Product or Business Line	Cost of Goods and Services Provided	Related Exchange Revenue	Excess of Costs Over Exchange Revenue
Departmental Working Capital Fund:			
Office of the Chief Financial Officer	-	-	-
Office of Communications	-	-	-
Office of the Chief Information Officer	-	-	-
Office of Departmental Administration	-	-	-
Office of Executive Secretariat	-	-	-
Total Departmental Working Capital Fund	-	-	-
Forest Service Working Capital Fund:			
Other	146,027,132	(218,134,715)	(72,107,583)
Total Forest Service Working Capital Fund	146,027,132	(218,134,715)	(72,107,583)
Total Working Capital Funds	146,027,132	(218,134,715)	(72,107,583)

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Appendix D—Required Supplementary Stewardship Information

Stewardship Property, Plant and Equipment
Stewardship Investments

Stewardship Property, Plant and Equipment

The Federal Accounting Standards Advisory Board, Statement of Recommended Accounting Standards No. 8, provides the following definitions:

- Stewardship Assets—Property owned by the Federal Government that physically resembles Property, Plant and Equipment, but differs in that the value may be indeterminable or have little meaning, including:
  - Heritage Assets
  - Stewardship Land
- Stewardship Investments—Expenses and investments incurred for education and training of the public that is intended to increase national economic productive capacity (investment in human capital), and research and development intended to produce future benefits.
- Stewardship Responsibilities—Information on the financial impact of continuing to provide current programs and services

Heritage Assets

The USDA Forest Service estimates that about 300,000 heritage assets are on land that it manages. This information was estimated from the nine Forest Service regions and the Department of the Interior Report to Congress. Some of these assets are listed on the National Register of Historic Places and some are designated as National Historic Landmarks.
The USDA Forest Service heritage resource specialists on the 155 national forests maintain separate inventories of heritage assets. Most of these assets receive no annual maintenance. A long-term methodology to better assess the extent and condition of these assets is being formulated. A module in the agency's real property management Infrastructure (INFRA) system has been developed and implemented for heritage assets. The extreme fire season and competing priorities, however, have prevented full population of the database.

The following table shows the number of heritage assets by category and condition for FY 2002.

Category	2002 Estimated (Sites)	Condition
Total Heritage Assets	302,063	Poor-Fair
Eligible for the National Register of Historic Places	47,175	Poor-Fair
Listed on the National Register	3,491	Fair
Sites with structures listed on the National Register	1,383	Poor-Fair
National Historic Landmarks	17	Fair

Heritage Assets Definitions

Historic Structures: Constructed works consciously created to serve some human purpose. They include buildings, monuments, logging and mining camps, and ruins.
National Historic Landmarks: Includes sites, buildings, or structures that possess exceptional value in commemorating or illustrating the history of the United States, and exceptional value or quality in illustrating and interpreting the heritage of the United States. The Secretary of the Interior is the official designator of National Historic Landmarks.
National Register of Historic Places: Includes properties, buildings, and structures that are significant in U.S. history, architecture, and archaeology, and in the cultural foundation of the Nation.
Eligible for the National Register: Those sites formally determined as eligible for the National Register through the Keeper of the National Register or documented by consultation with

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State Historic Preservation Offices. Previous reports included all sites potentially eligible for the National Register.

Stewardship Land

The USDA Forest Service manages over 192 million acres of public land, most of which is classified as stewardship assets. These stewardship assets are valued for:

- Environmental resources;
- Recreational and scenic values;
- Cultural and paleontological resources;
- Vast open spaces; and
- Resource commodities and revenue they provide to the Federal Government, States, and counties.

The following table shows the net change in acres between FY 2001 and FY 2002 in national forests by various purposes.

	FY 2001	FY 2002	FY 2002	
Description of National Forest System (NFS) Lands	Ending Balance (Acres)	Net Change(1) (Acres)	Ending Balance (Acres)	Condition(2)
National Forests (acres)	187,826,753	-11,074	187,815,679	Varies
National Forest Purposes *	143,848,797	15,322	143,864,119	Varies
National Forest Wilderness Areas	34,812,657	-59,890	34,752,767	Varies
National Forest Primitive Areas	173,762	0	173,762	Varies
National Wild and Scenic River Areas	945,155	512	945,667	Varies
National Recreation Areas	2,910,364	0	2,910,364	Varies
National Scenic Areas	129,178	1,257	130,435	Varies
National Scenic - Research Areas	6,637	0	6,637	Varies
National Game Refuges and Wildlife Preserve Areas	1,166,374	31,725	1,198,099	Varies
National Monument Areas	3,659,862	0	3,659,862	Varies
National Monument Volcanic Areas	167,427	0	167,427	Varies
National Historic Areas	6,540	0	6,540	Varies
National Grasslands	3,838,685	489	3,839,174	Varies
Purchase Units	355,236	6,452	361,688	Varies
Land Utilization Projects	1,876	0	1,876	Varies
Research and Experiment Areas	65,731	-860	64,871	Varies
Other Areas	295,814	0	295,814	Varies
National Preserves*	0	89,716	89,716	Varies
Total NFS Acreage	**192,384,095**	**84,723**	**192,468,818**	
Road Miles (3)	380,999	1,301	382,300	
Trail Miles (4)	133,087	0	133,087	

* National Preserves acres were included in National Forest Purposes acres last year.

(1) Net Change: At the time of submission of this information to the auditors, the net change values include the net effects of the USDA Forest Service land transactions, with the exception of the Northern Region's 2002 transactions. Land is acquired through purchase or exchange for several reasons: to protect critical wildlife habitat and cultural and historic values; to support the purposes of congressional designation; and for recreation and conservation purposes.

(2) Condition of National Forest System (NFS) Lands: The USDA Forest Service monitors the condition of NFS lands based on information compiled by two national inventory and monitoring programs. Annual inventories of forest status and trends are conducted by the Forest Inventory and Analysis program in 45 States, covering 65 percent of the forested lands of the lower 48 States. The Forest Health Monitoring program is active in 48 States, providing surveys and evaluations of forest health conditions and trends. While most of the 192 million acres of forest land on NFS lands continues to produce valuable benefits (e.g., clean air, clean water, habitat for wildlife, and products for human use), significant portions are at risk to pest outbreaks and/or catastrophic fires. Between 1997 and 2001, tree mortality caused by insects and diseases was detected by aerial surveys on approximately 8 million acres of NFS forest land. About 33 million acres of NFS forest land are at risk to future mortality from insects and diseases (based on the current Insect and Disease Risk Map). Nearly 73 million acres of NFS forest land are prone to catastrophic fire based on current condition and departure from historic fire regimes (Fire Regimes 1 & 2 and Condition Classes 2 & 3). Approximately 9.5 million acres are at risk to both pest-caused mortality and fire. Invasive species of insects, diseases, and plants continue to impact our native ecosystems by causing mortality to, or displacement of, native vegetation. The National Fire Plan has focused our efforts to prevent and suppress future fires adequately and restore acres that are at risk. Risk to fires was reduced by fuel hazard treatments on 1.4 million acres of NFS lands in 2001 and 1.2 million acres in 2002. Insect and disease prevention and suppression treatments were completed on over 1 million acres of NFS lands in 2001 and nearly 1 million acres in 2002.

(3) Road Miles: Net change to the total road miles occurs through new construction and correction of errors in the system's inventory and includes miles of unclassified roads that had previously been excluded.

(4) Trail Miles: The number of miles reported continues to be based on a 1996 inventory. The number of trail miles has not since been updated. Reconstruction of existing trails has been the predominant activity over the previous 5 years.

Stewardship Land Definitions

Land Utilization Projects: A unit reserved and dedicated by the Secretary of Agriculture for forest and range research and experimentation.

National Forests: A unit formally established and permanently set aside and reserved for national forest purposes. The following categories of NFS lands have been set aside for specific purposes in designated areas:

- Wilderness Areas: Areas designated by Congress as part of the National Wilderness Preservation System.
- Primitive Areas: Areas designated by the Chief of the USDA Forest Service as primitive areas. They are administered in the same manner as wilderness areas, pending studies to determine sustainability as a component of the National Wilderness Preservation System.

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- Wild and Scenic River Areas: Areas designated by Congress as part of the National Wild and Scenic River System.
- Recreation Areas: Areas established by Congress for the purpose of ensuring and implementing the protection and management of public outdoor recreation opportunities.
- Scenic-Research Areas: Areas established by Congress to provide use and enjoyment of certain ocean headlands and to ensure protection and encourage the study of the areas for research and scientific purposes.
- Game Refuges and Wildlife Preserve Areas: Areas designated by Presidential Proclamation or by Congress for the protection of wildlife.
- Monument Areas: Areas including historic landmarks, historic and prehistoric structures, and other objects for historic or scientific interest, declared by Presidential Proclamation or by Congress.

National Grasslands: A unit designated by the Secretary of Agriculture and permanently held by the USDA under Title III of the Bankhead-Jones Farm Tenant Act.
Purchase Units: A unit of land designated by the Secretary of Agriculture or previously approved by the National Forest Reservation Commission for purposes of Weeks Law acquisition. The law authorizes the Federal Government to purchase lands for streamflow protection, and to maintain the acquired lands as national forests.
Research and Experimental Area: A unit reserved and dedicated by the Secretary of Agriculture for forest and range research experimentation.
Other Areas: Areas administered by the USDA Forest Service that are not included in one of the above groups.

Human Capital – Job Corps Civilian Conservation Center – FY 2002

Net Cost of Operations: $104 million.

In partnership with the U.S. Department of Labor (DOL), the USDA Forest Service operates 18 Job Corps Civilian Conservation Centers. Job Corps is the only Federal residential employment and education training program for economically challenged young people, ages 16-24. The purpose of the program is to provide young adults with the skills necessary to become employable, independent, and productive citizens. Job Corps is funded from DOL with the program year beginning on July 1 and ending on June 30 of each year. During FY 2002 (July 1st to June 30th), there were 8,976 participants with 3,748 placements. The average starting hourly wage for USDA Forest Service Job Corps students was $8.49, which is above the DOL national average rate.

Established in 1964, Job Corps has trained and educated about 219,000 young people. The program is administered in a structured, coeducational, residential environment that provides education, vocational and life skills training, counseling, medical care, work experience, placement assistance and followup, recreational opportunities, and biweekly monetary stipends. Job Corps students can choose from a wide variety of careers, such as urban forestry, heavy equipment operations and maintenance, business clerical, carpentry, culinary arts, painting, cement and brick masonry, welding, auto mechanics, health services, building and apartment maintenance, warehousing, and plastering. The 18 centers had 2,056 women students training in nontraditional vocations last program year. The program received the National Job Corps Association Community Partners Alpha Award for the partnership of the Frenchburg Job Corps Center and the Hazard Community College in helping young people earn college credits. Over 700 Job Corps students assisted the agency in its firefighting efforts. An Interagency Agreement between the Secretaries of the Interior, Labor, and Agriculture was signed for the establishment of the first National Apprentice Training Program—which will allow Job Corps students to participate. The Firefighter Apprentice of the Future representative is one of our female Job Corps students.

Research and Development - Forest and Rangeland Research

FY 2002 Net Cost of Operations: $267 million

USDA Forest Service Research and Development (R&D) conducts ecological and social science research to understand ecosystems, including how humans influence those ecosystems and how forests can be managed sustainedly for both environmental conservation and economic expansion. R&D staffs are involved in all areas of the USDA Forest Service, supporting agency goals by providing the science and technology that is incorporated into natural resource decisionmaking. A representative summary of FY 2002 accomplishments includes:

- Produced a new low-cost filter for removing pollutants from water;
- Released "The Southern Forest Resource Assessment," which will be featured in a special issue of the *Journal of Forestry*;
- Developed a 5-year research plan to address the emerging threat posed by Sudden Oak Death disease;
- Developed a new instrument to detect trees infested by Asian longhorned beetles;

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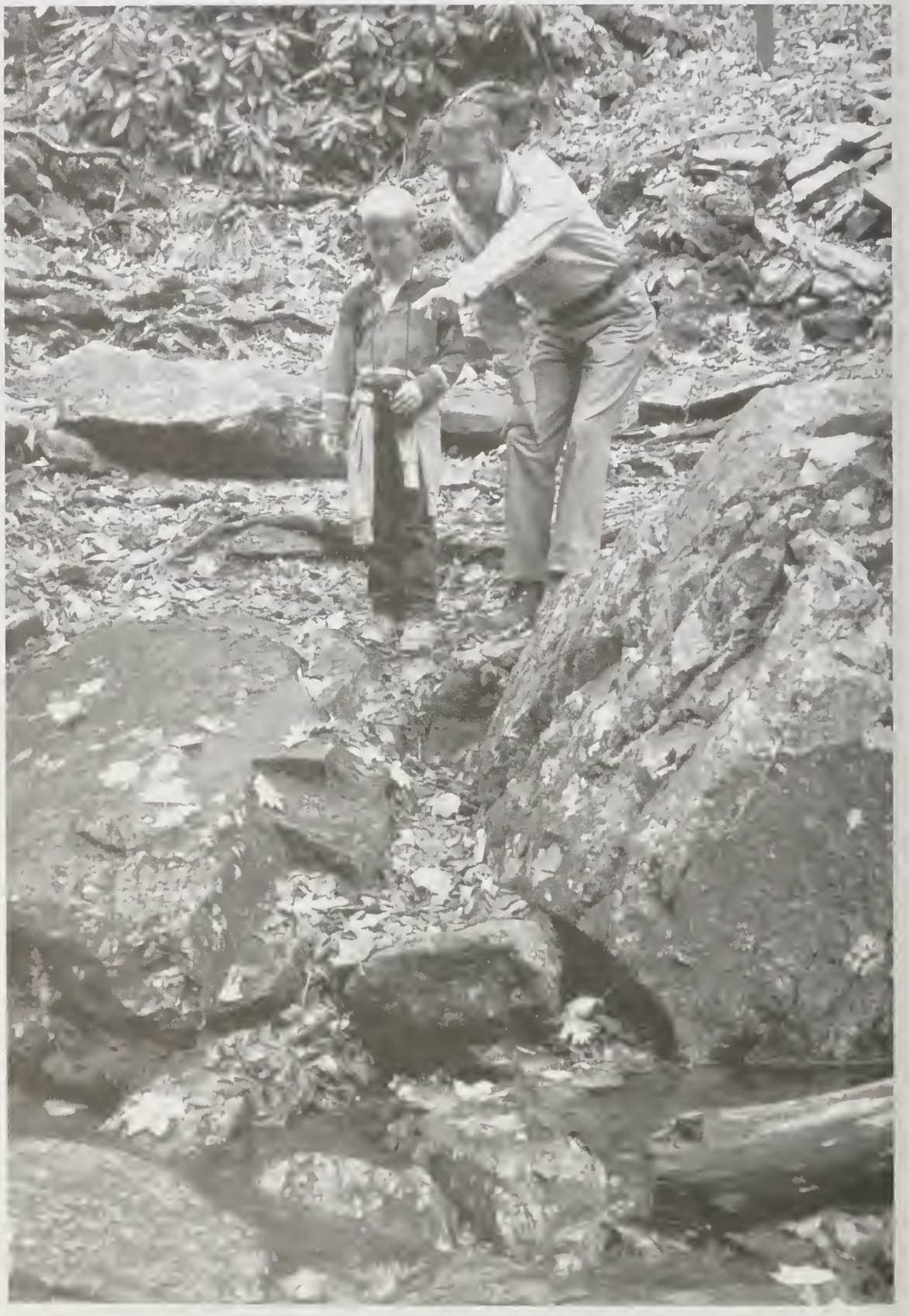
- Created a nationwide map that displays areas most likely to experience catastrophic wildfires and to need immediate fuels reduction;
- Conducted the first national survey that determined the value of the urban tree resource in the United States at $2.4 trillion;
- Developed technology to produce ethanol using biomass materials such as corn hulls, corn cobs, and woody materials; and
- Reduced harvesting costs for industry and provided protection for environmentally sensitive riparian areas as a result of research on soil compaction.



Performance Information

Introduction

Based on the goals and objectives of the *USDA Forest Service Strategic Plan (2000 Revision)*, the Annual Performance Plan for fiscal year (FY) 2002 committed the USDA Forest Service to delivering a range of natural resource-based benefits to the American people. The USDA Forest Service's strategic goals outlined in the 2000 Revision are:

Goal 1. Ecosystem Health
Goal 2. Multiple Benefits to People
Goal 3. Science and Technical Assistance
Goal 4. Effective Public Service

The USDA Forest Service Strategic Plan, Annual Performance Plan, and budget each play an important role in performance management. The USDA Forest Service budget provides a framework for meeting the goals by describing the actual "on-the-ground" work that needs to be done. In FY 2001, the USDA Forest Service defined a set of corporate-wide activities that will better define on-the-ground work. These activities were linked to individual appropriations, but also to specific strategic objectives. For each strategic objective, agency leadership and program staffs developed annual performance goals to attain the long-term goal in the strategic plan. The performance data in this report is measured against the goals established in the Annual Performance Plan for FY 2002.

The USDA Forest Service put a new system in place for field-based reporting starting with the FY 2001 end-of-year accomplishment reports. Individual forests enter data into spreadsheets and provide reasons if performance data is outside of a +/- 5 percent range of the targets. Individual forest data is consolidated into a national database for regional and national review, validation, and analysis. This system is intended to incorporate a USDA Office of Inspector General (OIG) recommendation (from report 08-001-0001-HQ June 2000) for implementing reasonableness checks into the reporting process.

To eliminate the need for duplicate documents, and further enhance the relationship between budget and accomplishments, the FY 2003 USDA Forest Service Budget Justification will also serve as the FY 2003 Annual Performance Plan. The USDA Forest Service continues to work on improving the quality of the data that measures its work activities.

The following pages provide narratives of each annual performance goal for FY 2002.

Strategic Objective 1a: Improve and protect watershed conditions to provide the water quality and quantity and soil productivity necessary to support ecological functions and intended beneficial water uses.

Annual Performance Goals and Associated Measures:
(1) Priority watersheds are maintained or improved to fully functioning hydrologic condition (water quality, flow, timing) and soil productivity to protect beneficial uses and meet water quality requirements.

Measure: Percent of 5th Level Hydrologic Unit Codes (HUCs)* in satisfactory condition.

(2) Communities of interest and place are actively engaged in multijurisdictional watershed management.

Measure: Percent of watersheds with community-based stewardship plans in place and implemented.

* 5th Level HUCs are defined as watersheds in a river basin, usually between 40,000-250,000 acres in size.

Activities and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Maintain and improve watershed conditions—Acres improved	MAR [a]	35,562	29,899	23,946	21,256	Not Verified [b]
Manage environmental compliance and protection/abandoned mine lands—Activities completed	Program Staffs	N/A [c]	52	110	23 [d]	43 [d]
Manage grazing allotments—Thousands of allotment acres administered to 100% of standard	Program Staffs	NR [e]	45,226	44,010	21,017	21,017
Decommission classified and unclassified roads—Miles decommissioned	RAR [f]	2,907	2,545	2,164	1,307	734
Administer mineral operations—Number of operations administered to standard	MAR	9,189	NR	8,254	13,329	8,300

a MAR = Management Attainment Reporting database.
b Not Verified = Data not verified at time of audit.
c N/A = Not applicable or not available.
d Includes only cleanups and environmental compliance audits completed. Prior year accomplishments also included studies and design work.
e NR = Not reported or not required.
f RAR = Roads Accomplishment Report.

Overview

At least 3,400 cities and towns in 43 States, with a total population of over 60 million people, obtain at least a portion of their drinking water from watersheds located on National Forest System (NFS) lands. Agency hydrologists and sanitary engineers provide technical assistance to many of these communities in delineating areas that are the source of this water, as well as assessing pollution risks from various types of land use, atmospheric deposition, and since September 11, 2001, terrorism. The Safe Drinking Water Act Amendments of 1996 require these assessments be completed by the States by May 2003. While this requirement has received little public attention, it is an example of how various levels of government work together for the public good, thus ensuring taxpayers are getting good value.

The Environmental Compliance and Protection (ECAP) program provides for the cleanup of hazardous substances on national forest lands to improve and protect watershed conditions and human and ecological health. In addition to cleanup projects, the ECAP program is helping to establish an environmental management system, including environmental compliance audits, to systematically improve environmental performance of the agency. The Abandoned Mine Land (AML) program, closely linked to ECAP, focuses specifically on cleaning up abandoned mines in high-priority watersheds.

Many activities contribute to the improvement of watershed conditions and fisheries habitat. For example, protection and rehabilitation of the soil resource contributes to sustainable fish populations by reducing the amount of soil transported to lakes and streams. Returning unnecessary roads to a forested condition through decommissioning also lessens adverse impacts to forest resources such as water quality and fish habitat.

Administering proposed mineral operations ensures proper design and layout and identifies appropriate mitigating and final reclamation measures. Proper administration minimizes erosion, sedimentation, pollution, and other adverse effects. It also helps maintain ecological functions and the quality, quantity, and beneficial uses of surface and ground waters during and after the conduct of operations. Analyses are conducted collaboratively with State and Federal agencies and the public. After operations begin, emphasis is placed on inspection and monitoring to ensure that operators comply with mitigating measures to protect watershed conditions and ensure the measures are providing adequate protection.

FY 2002 Performance

Planned work in the watershed, soils, air, and weather programs was greatly affected by the reassignment of many field personnel to emergency fire suppression and emergency watershed rehabilitation activities during the summer and fall of 2002. This resulted in the postponement of many planned watershed improvement projects, soil mapping contracts, and water quality monitoring work to FY 2003. It also resulted in reduced technical assistance to States and local communities by agency hydrologists in assessing the vulnerability of drinking water sources to pollution and terrorism. In addition, fewer watershed assessments were completed in FY 2002.

Fifteen multiyear community-based watershed restoration partnership projects continued in FY 2002. These partnerships crafted innovative ways to improve watershed, forest, range, water, and habitat conditions at a river-basin scale. An example is the devastating Hayman fire, which burned over 142,000 acres in and around one of these partnerships—the Upper South Platte Watershed. Four issues are being addressed in relation to catastrophic fires:

(1) vegetation landscape patterns, (2) soil development and movement, (3) water quality and quantity, and (4) aquatic habitats. More information is available on these partnerships via the Internet site: www.fs.fed.us/largewatershedprojects.

Two emphasis areas made considerable progress in FY 2002. The first focused on community-based efforts to improve water quality and restore large watersheds across ownerships. The second was continued cooperative efforts between the agency and the States of Colorado and Idaho to explore new options for providing instream flows for fisheries on national forest lands without adversely affecting existing water rights for agricultural diversions. If ultimately successful, new options for handling disputes over water uses could emerge.

Conflict over the total maximum daily load (TMDL) of specific pollutants in water resulted in marginal progress in water quality management in 2002. One of the key questions is whether TMDL allocations of nonpoint pollutants, such as sediment in the water column, can or should be made to all landowners in a watershed that does not meet State water quality criteria because it contains an impaired body of water. While various courts have issued rulings on this question, there is no consistency among them. The USDA Forest Service continues to maintain its position that the Clean Water Act (CWA) itself provides TMDLs that do not apply to nonpoint sources.

The USDA Forest Service completed a significant number of hazardous material cleanup projects under the ECAP/AML program, including 18 mine cleanups and 14 non-mine cleanups. The accomplishment greatly exceeded the target, due in part to reallocation of funds, initial plan studies, and removal and remedial actions during the course of the year. Under the ECAP program, the USDA Forest Service met its target of completing 11 environmental compliance audits, helping units identify operational improvements needed to comply with environmental regulations.

Road decommissioning targets were reduced substantially from FY 2001 to FY 2002 to address a concern that road maintenance funds were not necessarily being spent on the highest critical priorities. Results indicate that the concern was at least partially valid. While the mileage of roads decommissioned decreased from 2,164 miles in FY 2001 to 734 miles in FY 2002, the accomplishment of road deferred maintenance projects increased from 2,325 miles to 5,837 miles.

Because of a misunderstanding of reporting standards and definitions for mineral operations administered to standard, comparison with prior years is not meaningful. Targets in FY 2002 for mineral operations administered to standard were based on revised definitions of what was to be counted. The new definitions, however, were still not clear to the field. As a result, the actual accomplishment fell short of the target. The potential consequences of the shortfall are lessened because the operations not being reported are smaller operations that have much less potential for adverse impacts to the environment.

Program Evaluations

No national level reviews of the water, air, soils, or weather programs were made in FY 2002.

The Engineering Staff conducted a monitoring review of Region 1 in FY 2002. The review reinforced the findings in prior year monitoring that unmet critical resource deferred maintenance needs are a major concern.

One program evaluation for the Minerals and Geology Management Program was conducted in FY 2002 in Region 9. There were no significant findings or recommendations.

Conclusions and Challenges

There are several challenges to watershed management in the agency: (1) delineation of 5th Level HUCs for the entire country will take several more years; as a result, it is unknown how may HUCs will include NFS lands, thus requiring associated condition tracking of soil and water resources in the future; (2) local assessment of watershed conditions is being used instead of nationally consistent criteria and protocols; and (3) reassignment of soil, water, and air specialists to emergency firefighting duties for weeks or months results in the inability to complete previously planned soil, water, and air work; lost or delayed information includes sites not monitored and data not gathered that is needed later to interpret watershed and soil conditions.

Sorting through the myriad of Federal, State, and local laws and regulations governing water is an ever-challenging task and one that creates very different roles, responsibilities, and expectations that vary with each Administration. There are approximately 25 Federal laws that govern agency management of water resources, hundreds of State laws, and thousands of State regulations with which agency officials are expected to comply. It is extremely difficult to ensure that all laws and regulations are being recognized and followed.

The USDA Forest Service is also facing a shortage of hydrologic skills as the ranks are thinned through retirements and other vacated positions that are not filled. The agency faces great challenges to meet State TMDL requirements, including extensive restoration and monitoring to complete these mandatory projects. Planning will require greater than normal levels of hydrologic expertise to identify and quantify instream flow needs, especially in western national forests.

The results of field evaluations show that the decommissioning of roads, although necessary and important, is a difficult endeavor due to extensive administrative processes that are required prior to actually executing the work.

Abandoned mine lands comprise the majority of sites impacting NFS lands via the release of hazardous substances. The USDA Forest Service estimates that there are over 40,000 abandoned mine sites, of which an estimated 1,800 to 2,000 will require hazardous material cleanup. The estimated cost to complete needed work on these mining sites exceeds $3 billion. At historic funding levels, it is estimated that it will take 150 years to clean up these sites.

In late FY 2000, the USDA Forest Service adopted a policy of requiring all existing mineral and energy operations to be properly inspected, monitored, and bonded before new operations are approved. This requirement, however, is not being reached. Priority is given to operations in sensitive settings and to those that may be logistically easier to reach. Although an adequate job is being done, the agency would do a better job with more inspections.

Verification, Validation, and Limitations of Data Sources

The problem with the 5th level HUCs has been described above, and until the Federal interagency team completes the delineation in all 50 States, the agency will not know how many HUCs include NFS lands.

Regional program managers report ECAP/AML accomplishment and financial data on a project-by-project basis. This itemization of work plans, progress, and accomplishments lends credence to the project's report. A portion of this program is funded using transfer appropriations from USDA; that portion has been audited in prior years by the General Accounting Office and the Office of Inspector General.

The roads accomplishment data comes from reporting actual work accomplished at the national forest level, which is aggregated at the regional level and finally into a national accomplishment. At the forest level, the data is collected by road program managers and verified by budget personnel. The forest data is reviewed at the regional and Washington Office levels for reasonableness. In addition, road monitoring activities are conducted on approximately 25 percent of the approximately 383,000 miles of road on NFS lands each year. Limited budgets prevent additional monitoring.

Outputs shown with a data source indicator of MAR are collected in the Management Attainment Reporting database. The data is compiled by the districts and forests and then reviewed by regional and national offices for reasonableness. Further validation is not considered cost effective; accuracy of the data is dependent on entries made at the forest level.

Strategic Objective 1b: Provide ecological conditions to sustain viable populations of native and desired non-native species and to achieve objectives for management indicator species (MIS)/focal species.

Annual Performance Goals and Associated Measures:

(1) Accelerate the protection and recovery of threatened and endangered species on national forest lands.

Measure: Populations, status, and trends for selected threatened and endangered species on national forest lands.

(2) Ecological conditions are maintained or improved to provide habitat for native and desirable non-native species.

Measure: Number of National Forest System land and resource management plans that have established measurable objectives and monitoring programs for populations, habitats, and/or ecological conditions for threatened and endangered species, species for which there are viability concerns, and other MIS/focal species.

(3) Population trends for native and desirable non-native species are maintained or improved.

Measure: Populations for selected species.

(4) Manage habitat and facilities to support wildlife viewing, as well as harvest of fish and game.

Measure: Harvestable surpluses of fish and game species are available.

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Manage stream habitat —Miles of stream enhanced	MAR[a]	2,194	1,687	2,193	1,919	2,001
Manage lake habitat—Acres of lake enhanced	MAR	16,346	18,147	18,428	15,694	18,217
Manage terrestrial habitat—Acres of terrestrial habitat enhanced	MAR	266,774	192,373	241,123	247,013	209,472
Land impacted for the management and conservation of migratory species—Acres of migratory habitat impacted[c]	Program Staff	NR[b]	NR	NR	NR	NR

a MAR = Management Attainment Reporting database.
b NR = Not reported or not required.
c Outputs for this activity have never been collected, and it was not a field reporting requirement in FY 2002.

Overview

National forests and grasslands provide habitat for more than 3,000 vertebrate and invertebrate species and more than 10,000 plant species. Essential work on each national forest and grassland includes managing habitats for these species to maintain the diversity, viability, and productivity of plant and animal communities. This includes actions to restore, recover, and maintain habitat and ecosystem conditions necessary for healthy populations of fish, wildlife, and native plants.

Stream and lake improvements (acres and miles) are designed to restore and improve habitats for inland, anadromous, and threatened and endangered aquatic species. Terrestrial wildlife habitat restoration and enhancement focus on a variety of species, including threatened, endangered, and sensitive species, as well as management indicator and focal species. Enhanced acres improve and maintain diversity and productivity of wildlife and rare plant species, and thus provide for their use and enjoyment by current and future generations.

Efforts to support migratory species are spearheaded by International Programs (IP). Through habitat improvement work, migratory species conservation partnerships, and strengthening conservation capacity in countries where migratory bird species live, IP strives to ensure the viability of more that 80 migratory species. Through these partnerships, USDA Forest Service funds have been leveraged. With a relatively small investment of USDA Forest Service expertise from IP, the agency has worked with foreign and domestic partners to enhance habitats and populations of migratory species. In the case of some bird species, such as the endangered Kirtland's warbler, IP's work outside the United States is invaluable in preserving the species.

FY 2002 Performance

A new set of measures has been established, which are believed to be more reflective of annual performance goals. During this transition year we continue to report in acres and miles accomplished, but future years will depict outcomes of our management efforts.

In FY 2002, the national forests accomplished 104 percent of their target in improving stream habitats and 116 percent in lake habitats. Examples of habitat improvements include reducing sediment input and stream bank erosion through structural and nonstructural instream, riparian, and upland treatments; restoring riparian habitat functions for natural recruitment of large wood; creating pools within streams, thereby providing hiding cover for fish and increasing spawning gravel; removing or modifying human-made barriers to allow free movement of aquatic life throughout the stream; and increasing lake fertility.

Approximately 85 percent of the target for improving terrestrial habitat was accomplished in FY 2002. Examples include using prescribed fire; maintaining early successional habitats; regenerating aspen and oaks; planting and seeding to improve forage conditions; and developing water sources in arid lands. Work within the wildlife, fisheries, and rare plants program, however, was significantly affected by the emergency fire suppression needs and activities during FY 2002. Approximately 8 percent of the wildlife and fisheries funds was redirected to emergency suppression efforts, as well as a large percentage of wildlife, fisheries, and rare plants employees, which resulted in less time devoted to program implementation.

Partnerships are key to the successful implementation of the wildlife, fisheries, and rare plant program. In particular, the Challenge Cost-Share Grant Program encourages direct public involvement in managing these resources on national forests and grasslands. Established in 1986, the program has grown from 57 partners and 120 projects to more than 2,500 partners and 2,000 projects in FY 2002. A variety of State agencies and private organizations worked with the USDA Forest Service in FY 2002 to leverage $19.4 million of appropriated funds into over $46 million of habitat projects benefiting wildlife, fish, rare plants...and people! Partnership capacity continues to increase through the efforts of several positions shared and housed with partner organizations.

An example of a successful partnership is on the White Mountain National Forest in New Hampshire, culminating in the delisting of the endangered Robbins' cinquefoil (*Potentilla robbinsiana*), a rare plant. In a long-term cooperative effort with the U.S. Fish & Wildlife Service, Appalachian Mountain Club, New England Wild Flower Society, New Hampshire Natural Heritage Program, and others, the recovery plan was implemented to the extent that this species is no longer in danger of extinction.

National forests and grasslands provide exceptionally important habitat for birds; to improve our ability to conserve and manage birds, the agency has become a partner in the North American Bird Conservation Initiative. The USDA Forest Service's participation in this partnership initiative with other Federal, State, university, and nonprofit conservation organizations is enhancing our agency's ability to coordinate and integrate efforts in bird conservation. This has resulted in more effective conservation and restoration activities on national forests and grasslands and provided for bird-related recreational opportunities.

Similarly, the agency has become a member of Partners in Amphibian and Reptile Conservation, a coalition of Federal and State agencies, tribes, universities, nonprofit conservation organizations, and industry groups. The group coordinates efforts to conserve amphibians, reptiles, and their habitats through partnerships across the country. Benefits for the agency will include better understanding of conservation management needs on national forests and grasslands, as well as standardized survey protocols.

IP led and supported 13 field projects in FY 2002 that increased habitat capability outside the United States for migratory bird species. Projects were selected based on species or habitats that are of greatest concern to American conservationists or are of importance to indigenous cultures in North America. Support for these projects included technical conservation training for key people in host nations.

Through an interactive Web broadcast sponsored by IP, an estimated 700,000 students in the United States, Canada, and Mexico learned how they can help migratory birds.

Program Evaluations

A national level trust fund review was conducted, with onsite field inspections in the Southern Region. Overall, wildlife and fisheries projects funded through the Knutson-Vandenberg fund were well planned, documented, and implemented; however, some opportunities to use additional available funding to accomplish meaningful habitat improvements were missed. This review occurred early in the year; due to fire suppression activities, other planned reviews were cancelled.

Conclusions and Challenges

The USDA Forest Service is challenged with providing more funding resources and qualified personnel to manage habitat to maintain viable populations and provide for diverse and sustainable wildlife, fish, and rare plant species. For example, national forests and grasslands provide habitat for 422 listed species (up from 415 in 2001) and more than 2,900 sensitive species. The agency must increase knowledge of management needs; develop or adopt conservation and recovery strategies and implement strategies to achieve recovery objectives; and meet appropriate statutory, regulatory, and policy requirements that apply. The agency continues to work effectively with State, Federal, and nongovernmental partners, who are cornerstones of these programs.

In FY 2002, the USDA Forest Service provided testimony on fish passage at road crossings on national forest lands in the Pacific Northwest at a U.S. House of Representatives Appropriations Committee hearing. While primarily a fish passage issue, other aquatic species may be impacted by passage problems at road crossings. On public lands in Oregon and Washington alone, there are over 10,000 road culverts on fish-inhabited streams. Many do not effectively allow all life stages of fish to pass freely, denying them important habitat. Recent assessments have identified 250 culverts, which if modified or replaced, would increase access to over 1,000 miles of anadromous fish habitat. The agency is assessing passage problems and prioritizing culvert restoration to ensure efficient and effective use of funds to maximize benefits to aquatic resources. Although public attention is currently focused on salmon passage in the Northwest, similar needs occur throughout the National Forest System.

Up to 40 percent of migrating waterfowl depend on the boreal forests of North America, but habitat is steadily disappearing due to oil and gas development, agriculture, some forest management practices, and other activities. The agency must develop partnerships with other Federal agencies, State and local governments, and private corporations and organizations to mitigate the impacts of development on migratory species. International partnerships are important as well. One example is the Copper River International Migratory Bird Initiative, which is working to conserve the millions of migratory birds that depend on the Copper River Delta and other feeding and breeding sites along the Pacific Coast from Alaska to as far south as South America. Some examples of Copper River Delta species are the Western Sandpiper, Dusty Canada Goose, and Trumpeter Swan.

Verification, Validation, and Limitations of Data Sources

Outputs shown with a data source indicator of MAR are collected through the Management Attainment Reporting process. The data is compiled by the districts and forests and then reviewed by regional and national offices for reasonableness. Further validation has not been considered cost effective; accuracy of the data is dependent on entries made at the forest level.

Historically, no data has been collected on migratory species work; therefore, the measure "land impacted for the management and conservation of migratory species – acres of migratory habitat impacted" was removed from the annual performance plan.

Strategic Objective 1c: Increase the amount of forests and grasslands restored to or maintained in a healthy condition with reduced risk and damage from fires, insects and diseases, and invasive species.

Annual Performance Goals and Associated Measures:

(1) Hazardous fuel conditions are treated to reduce the threat of high-intensity wildland fires to communities, watersheds, or species at risk, particularly in wildland-urban interface areas, and areas with extreme risk to high-intensity wildfire.

Measure: Percent of wildland-urban interface areas with completed fuel treatments. Percent of all acres with fuel levels meeting condition class 1.a

(2) Targeted nonnative invasive species are managed to reduce populations, infested areas, and risk.

Measure: Percent of acreage treated to reduce the rate of spread of invasive species. Percent decrease of infested acreage. Percent of acreage at high risk of insect and disease infestation treated to reduce the rate of spread.b

(3) Reduce the risk of loss to communities and residences from wildland fire.

Measure: Percent of affected communities with prevention and education programs in place, and where firewise treatments are being applied on the ground.a

(4) Agency fire management organizations are operating at maximum efficiency in the prevention, detection, and suppression of wildland fire to protect life and property.

Measure: Fire Fighter Production Capability (FFPC) rating for initial attack of wildfires is maximized. Percent of needed support resources available for deployment in support of large wildfire incidents.b

(5) Affected communities have increased State, local, and private firefighting resources capability and readiness to respond to wildfires.

Measure: Percent of affected communities with increased firefighting capability and readiness.[b]

[a] Data is not collected with these criteria, so accomplishments cannot be reported directly to this measure.

[b] Percentage figure not available.

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Plan timber sales—Approved NEPA [a] documents through appeals and litigation [b]	MAR [c]	NR [d]	NR	NR	NR	NR
Prepare regular timber sales—Hundred cubic feet (CCF) of regular timber volume offered [b]	STARS [e]	2,984,558	2,223,952	2,035,164	3,073,824	2,185,546
Administer total timber sales—Timber volume harvested (CCF) [b]	TSA [f]	5,877,142	5,084,853	3,530,158	3,774,952	3,402,989
Plan salvage timber sales—Approved NEPA documents through appeals and litigation [b]	MAR	NR	NR	NR	NR	NR
Prepare salvage timber sales—Salvage timber volume offered (CCF) [b]	STARS	1,381,345	997,119	1,347,181	1,092,757	1,169,885
Administer salvage timber sales—Salvage timber volume harvested (CCF) [b]	TSA	NR	NR	NR	NR	NR
Manage noxious weeds—Acres treated	MAR	87,000	121,946	143,938	105,554	159,923
Mitigate hazardous fuels—Nonwildland-urban interface (acres mitigated)	Program Staffs	1,421,281 [g]	772,375 [g]	750,146	551,346	493,536
Mitigate hazardous fuels—Wildland-urban interface (acres mitigated)	Program Staffs	--- [g]	--- [g]	611,551	800,622	764,367
Develop control strategies for foreign-based invasive species—Number of projects	Program Staffs	NR	4	8	8	8
National Fire Plan forest land rehabilitation and restoration—Number of rehabilitation and restoration projects	Program Staffs	N/A	0	329	436	506

a NEPA = National Environmental Policy Act.
b These budget activities/outputs have been addressed under Strategic Objective 2c.
c MAR = Management Attainment Reporting database.
d NR = Not reported or not required.
e STARS = Sales Tracking and Reporting System.
f TSA = Timber Sale Accounting System.
g Fiscal years 1999 and 2000 data for fuels treatment was not separable by wildland-urban and non-wildland-urban acres. Values shown are combined totals.

Overview

The health of our forests and grasslands is important to the Nation for a variety of reasons, including the production of clean water, forage for livestock and game, timber and other forest products, a wide variety of recreation opportunities, and many other uses. Forest and grassland health, however, is threatened by noxious weeds, invasive plant and animal species, and forest fires. The USDA Forest Service is combating these issues very aggressively through initiatives such as the National Fire Plan; the Healthy Forests Initiative; partnerships with various Federal, State, tribal, and local governments; partnerships with natural resource organizations; and other efforts.

Nonnative invasive species are a significant threat to the forests of the United States from both an economic and ecological perspective. Management efforts seek to prevent the spread of noxious weeds and pests, treat new noxious weed and pest infestations without delay after discovery, and provide information and education on control techniques. Noxious weed treatment returns the vegetative community to a more natural state and restores land productivity by eliminating or controlling invasive weeds that threaten native plant communities. Similarly, pest control efforts attempt to control forest and grassland pests to minimize the economic and environmental damage they cause. One pest, the Asian longhorned beetle, has the potential to have a $670 billion impact on the Nation's forests. Another, the hemlock woolly adelgid, is killing hemlock trees along the East Coast to the point of altering stream flows and temperatures, and decimating the important ecological niche that hemlock serves as a large tree. Partnerships and other coordinated efforts with private landowners and local, county, and State governments are key to preventing the spread of invasives and in the development of treatment regimes.

Prescribed fire and other fuel-reduction treatments of the hazardous fuels programs enhance forest and range health by reducing the intensity of wildfires, protecting wildland-urban interface areas, promoting forage production, and maintaining fire-dependent ecosystems. The Wildland Fire Preparedness and Wildland Fire Operations programs and associated firefighting capability are necessary to ensure that fires are controlled for firefighter and public safety, for property and resource protection, and to minimize large wildland fire suppression costs. Cooperative fire assistance programs help State and local governments maintain a base level of wildland fire protection readiness, and provide public service advertising and education promoting partnerships designed to help reduce wildland fire occurrence.

The Forest Health Management Program provides for the detection, monitoring, evaluation, prevention, and suppression of forest insects, diseases, and invasive plants on forest and rangelands managed by the National Forest System (NFS), other Federal agencies, and governments of States, territories, and tribes. Forest health management specialists evaluate risk for resource damage and determine prevention, suppression, and maintenance treatments based on the results of the risk evaluations. Aerial and ground surveys are conducted for insects and diseases in areas of risk. The program includes development of technologies to improve efficiency and effectiveness of management of forest pests. The activities of the program enhance forest and rangeland health by protecting wildland-urban interface areas, water resources, critical wildlife habitats, and recreational oportunities. See also a discussion of Forest Health Management under strategic objective 3c.

FY 2002 Performance

Approximately 1.6 million acres of forests and grasslands were treated for insects, diseases, and invasive plant species, which is 4 percent of the estimated infested acreage of public lands in the United States. More than 575,000 acres were treated to reduce the rate of spread of gypsy moth through the National Gypsy Moth Slow the Spread (STS) Project. Approximately 100,000 acres were treated to prevent insect and disease outbreaks. Although much work was done to reduce the spread of other pests such as sudden oak death and hemlock woolly adelgid, data is not available.

Noxious weed treatment activities accomplished 152 percent of the target in FY 2002. Almost 160,000 acres were treated, including 130,868 acres accomplished with vegetation and watershed management funds; 7,287 acres accomplished with contributed funds; 13,728 acres using Knutson-Vandenberg (K-V) funds; and 8,041 acres using other funds. This reflects the priority that the national forests are putting on this very important program. The fires of fiscal year (FY) 2000 and FY 2001 created situations that allowed for an increase in noxious weeds on NFS lands; therefore, additional emphasis was placed on this program to alleviate problems that stemmed from the previous fire seasons. With the disastrous fire season in FY 2002, hundreds of thousands of additional acres will undoubtedly be at risk to invasive species in the near future.

A huge workforce of Federal, State, tribal, local, and contract resources was needed to battle the extremely severe fire season that occurred in fiscal year (FY) 2002. Suppression efforts from initial attack to large escaped fire support were provided by 10,480 firefighters, including 65 interagency hotshot crews and 277 smokejumpers. In addition, 995 engines, 94 helicopters, 44 airtankers, and 218 pieces of heavy equipment were deployed throughout the country to assist firefighters. For the first time, a significant number of contracts, for 52 crews and 95 engines, was awarded to assist with initial attack. These resources equate to a FFPC of 15,608 chains per hour.

Fuel reduction treatments totaled 1,257,903 acres, nearly a 93 percent accomplishment rate. This rate is significant since over $24 million in the fuel treatment program was redirected to cover wildland fire suppression costs during FY 2002. Fuel mitigation work in the non-wildland-urban interface was nearly 58,000 acres short of the projected accomplishment, and in the wildland-urban interface about 36,000 fewer acres were treated than was projected. Additionally, the agency signed a joint memorandum with the Department of the Interior defining the collaborative process for fuels project development.

The Secretaries of Agriculture and the Interior, along with 17 western governors, signed a document titled, *The 10-Year Comprehensive Strategy Implementation Plan—A Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment*. This plan sets uniform performance requirements for delivery of the 10-Year Comprehensive Strategy for both Federal and State partners.

The activities and outputs for planning and administering both regular and salvage timber sales play a beneficial role in meeting this strategic objective, but they are more closely aligned with strategic objective 2c, which provides sustainable levels of desired uses, values, products, and services from the Nation's forest and grasslands. Therefore, accomplishments for these activities and outputs are reported under that objective.

International Programs (IP) has supported a number of activities that address the eradication or control of invasive species. Many of the activities are in collaboration with the Forest Health Protection (FHP) and Research and Development (R&D) staffs, as well as with USDA Animal and Plant Health Inspection Service and USDA Agricultural Research Service.

Some of the activities include a workshop on the current knowledge about the Asian longhorned beetle in the United States and China; support for two German scientists to work in the United States, along with ongoing information exchange between international scientists on Sudden Oak Death data; research into chemical and biological control agents for the Asian longhorned beetle, hemlock woolly adelgid, kudzu, mile-a-minute weed, beech bark scale, and Japanese knotweed; and development of a database of invasive plants from Asia.

Accomplishments of the Forest Health Management Program can be found under strategic objective 3c.

Program Evaluations

The Washington Office NFS staff conducted a review of the noxious weed program within the Pacific Southwest Region of the USDA Forest Service in FY 2002. While the review found that partners at the Federal, State, and local levels are working collaboratively on cooperative weed management projects, it identified significant challenges to overcome.

Progress and accomplishment reports have been submitted by implementing units for each of the International Programs projects mentioned above. No field reviews were performed in FY 2002.

The FY 2002 fire season was very severe. In response, the agency took many steps to reduce the risk of catastrophic damage. The USDA Forest Service and Department of the Interior worked together closely to start implementation of the National Fire Plan. Oversight reviews were made to help managers and administrators make adjustments in programs to ensure proper direction and provide on-the-ground accountability. The following list provides a sample of the processes the USDA Forest Service used in FY 2002 to ensure firefighter and public safety, mitigation of private and public property losses, and cost reduction:

- Completed a hazard abatement plan and started implementation of specific actions designed to increase firefighter safety and enhance training.
- Completed three national-level large fire cost reviews to assess the effectiveness of fire suppression actions with respect to decisionmaking and cost containment.
- Contracted with the National Academy of Public Administration for a study on wildland fire suppression costs. The academy published the results in a document titled, *Wildfire Suppression: Strategies for Containing Costs*.
- Started, with the Department of the Interior, a computer system design process for a new fire planning system. The Fire Program Analysis (FPA) system will replace the present system over the next few years. FPA will be designed as a more comprehensive land management decision-support system than what presently exists.
- Created the Wildland Fire Leadership Council to coordinate and implement the National Fire Plan and the Federal Wildland Fire Management Policy among Federal agencies, States, counties, and tribes. The council approved a standard fire management plan template for use by the USDA Forest Service and the Department of the Interior. Fire

management plans tier from land and resource management plans and provide direction for the full range of fire management activities on public lands.

Forest Health Management reviews included the Chief's Overviews of the National Fire Plan for Regions 8 and 10, which addressed insect outbreaks as they relate to fire risk. These reviews emphasized the need for prevention and restoration activities on forest lands. An invasive plant activity review for Region 5 (California and Hawaii) recommended that the region's invasive plants program better integrate with other agencies.

Conclusions and Challenges

Finding solutions for controlling and eradicating invasive species is a long-term process. There have been some promising management techniques, and chemical and biological control agents, but most are in the development stage. Additionally, the need for information and communication between the USDA Forest Service and its partners has become evident to prevent invasive species from establishing themselves in the forests and grasslands of the United States.

Findings and conclusions from the Washington Office NFS review of the invasive plant program identified that Section 7 consultation under the Endangered Species Act with the U.S. Fish & Wildlife Service and the National Marine Fisheries Service, primarily in northern California, needs to be improved and streamlined. The review also found that there is a need to better integrate the USDA Forest Service noxious weed program with other agencies, especially with respect to fire suppression. The review concluded that communication between the regional office and the field needs improvement, especially in assigning clear priorities in developing the program budget for invasive plants. The review found that national forests are having difficulty in completing site-specific National Environmental Policy Act analyses requirements while trying to address issues related to new invaders, newly infested sites, and expanding populations of existing infestations. This was particularly true for infestations associated with wildfire suppression and rehabilitation.

The increasing number of acres burned in wildfires in recent years on national forests and adjacent lands is resulting in new potential habitat for noxious weeds. As a result, the number of infected acres is increasing on burned lands and adjacent unburned areas. Treatment efforts will need to be amplified to deal with this growing problem.

The USDA Forest Service will continue its emphasis on firefighter and public safety and large fire cost containment. At the same time, an expansion of the fuel treatment program will be sought, especially in the wildland-urban interface. The agency will be working cooperatively with other Federal agencies and State and local governments to minimize the impacts of wildland fire on public and private lands. Implementation of the 10-Year Comprehensive Strategy will assist Federal, State, and local land managers with coordination, collaboration, and actions to reduce the risk of wildland fire to communities and the environment.

In August 2002, the President introduced the Healthy Forests Initiative. This program implements core components of the 10-Year Comprehensive Strategy. It provides additional Administrative endorsement of the strategy and will improve regulatory processes to ensure more timely decisions. This will lead to greater efficiencies, a restoration of forest health, and a reduction of the risk of catastrophic wildland fire.

Verification, Validation, and Limitations of Data Sources

Noxious weed treatments are reported directly to the Washington Office upon request at the end of the fiscal year. Currently, no electronic database system is available to track this work. A database system to monitor infected acres, acres treated, methods used, and dates of treatments is being developed and tested at this time.

Common interagency performance measures for Fire and Aviation Management were developed for baseline data collection in FY 2002 and FY 2003 and for program measurement in FY 2004. These new performance measures will supplement existing measures. The new measures are outcome-oriented and are integrated with the agency Government Performance and Results Act strategic and annual performance plans. Data collection and display problems may arise as the new measures are implemented.

In previous years, Forest Health Management technical assistance, which includes biological assessments and technology transfer to forest managers, was converted to acres treated or protected, which resulted in different estimates of actual work performed. There is no direct link, however, of technical assistance to number of treated acres. The transformation of technical assistance to treated acres is no longer used. Thus, the actual number of forest health acres protected decreased by nearly 1 million acres when compared to estimates for the FY 2002. This decrease in acres protected reflects changes in how these acres were calculated in the past. For FY 2002 acomplishments, "Acres protected" equals "Acres treated" to better reflect actual work performed.

Strategic Goal 2. Multiple Benefits to People

Strategic Objective 2a: Improve the capability of the Nation's forests and grasslands to provide diverse, high-quality outdoor recreation opportunities.

Annual Performance Goal and Associated Measure:
(1) Recreation uses and activities are managed to prescribed standards within the capability of the ecosystem.

Measure: Percent of recreational uses and activities meeting meaningful measure standards. Percent increase in user satisfaction by use and geographic region.

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Operate developed sites—Number of PAOT [a] days operated to standard	MAR [b]	NR [c]	75,000,000	80,000,000	96,015,369	94,048,707
Manage general forest areas—Number of days managed to standard	MAR	NR	219,000	235,000	2,147,058	2,203,978
Provide interpretation and education (recreation)—Number of products provided to standard	MAR	NR	34,000	34,000	17,584	13,924
Administer recreation special use authorizations—Number administered to standard	MAR	NR	1,227	1,225	12,495	14,243
Provide interpretation and education (wildlife)—Number of products provided	MAR	NR	2,885	2,885	2,651	3,886

a PAOT = persons at one time.
b MAR = Management Attainment Reporting database.
c NR= Not reported or not available.

Overview

Recreation is the fastest growing use on the national forests and grasslands, and it is where most Americans meet the USDA Forest Service. The Recreation, Heritage, and Wilderness Resources (RHWR) program provides a wide spectrum of recreational settings and opportunities that are consistent with good land stewardship. The RHWR program is managed to improve the capability of the Nation's forests and grasslands to provide diverse, high-quality outdoor recreation opportunities. The recreation program oversees a multibillion dollar recreation infrastructure that includes facilities and trails and supports activities such as camping, picnicking, winter sports, hunting, fishing, and visiting cultural sites. Activities such as these contribute to economic diversification in and around national forests and grasslands.

To provide diverse, high-quality outdoor recreation opportunities, the USDA Forest Service has implemented several strategic activities, including user surveys, to gather information for use in priority setting and decisionmaking. The survey data released in September 2002 indicates that 214 million national forest visits occurred in fiscal year (FY) 2001. During the 11,420 survey days, 64,045 visitors were interviewed. The survey results are compiled at the forest level and expanded to provide estimates at the regional and national levels. National Visitor Use Monitoring Process data addresses monitoring elements in the USDA Strategic Plan and the 2003 National Report on Sustainable Forests, an international monitoring plan.

In addition to providing benefits to people, the RHWR program advances ecosystem health through the administration and management of partnerships and tourism, interpretive services, recreation special uses, congressionally designated areas, national forest scenic byways, scenery management, wilderness stewardship, and heritage resources. The focus is on minimizing impacts and educating users in low-impact and responsible use through programs such as Leave No Trace and Tread Lightly!, as well as the preservation of special areas.

The USDA Forest Service delivers annual outputs, as identified above, that lead to the accomplishment of the long-term outcomes in the agency's strategic goals and objectives. With public input, the USDA Forest Service has developed a strategic framework that includes five core principles to focus RHWR priorities and actions; each is linked to and complements the strategic goal of providing multiple benefits to people. The five core principles are settings, service, conservation education and interpretation, community connections and relationships, and partnerships.

NatureWatch is a cooperative program among private industry, conservation groups, the USDA Forest Service, and other Federal and State agencies to foster conservation of wildlife, fish, plants, and their habitats. The program provides nature-viewing opportunities for the public and encourages safe and sound viewing ethics through signage and educational programs. Nature viewing is a popular outdoor activity, with more than 50 million annual user days on national forests and grasslands.

FY 2002 Performance

In some areas of the Nation, the impacts of the fire season were reflected in reduced outputs due to the presence or threat of fire in and around recreation areas and through diversion of financial and human resources to aid in firefighting efforts. Wherever possible, the effects of the diversion of funds were absorbed internally to minimize the impact on service to the public.

Nationally, seasonal recreation capacity was slightly under target. The Rocky Mountain and Southwestern Regions were down to 71 percent and 80 percent of their target respectively, due to fire closures and diversion of funds and personnel to meet the fire emergency. Agencywide capacity using appropriated funds totals 280 million PAOT-days to standard; during FY 2002, the capacity provided was less than half of that amount.

The number of days administered to standard in general forest areas slightly exceeded expectations. Limited understanding of the new output measure caused an underestimation of capability of the target in some regions. In addition, increased dispersed area patrols, primarily due to the increased fire danger and use closures, had the serendipitous effect of meeting higher standards in some dispersed areas.

Delivery of interpretation and education was down overall due to significant fires in the Rocky Mountain and Southwestern Regions. Fire suppression costs and forest closures impacted the ability of these regions to provide products and deliver programs to the public. Other regions, however, succeeded in providing substantial interpretive products and programs, such as those associated with the 2002 Winter Olympics, Lewis and Clark Bicentennial, and American Frontiers as part of National Public Lands Day. In addition, the Interpretive Service's program held a national symposium for visitor center directors. The symposium increased the skill

level of the directors, thereby ensuring the long-term vitality of USDA Forest Service programs and materials provided at our visitor centers.

Many of the 214 million visits were made possible by recreation service providers through the Special Use Program. Of the more than 25,000 permits, 14,243 were administered to standard, 114 percent of the goal for FY 2002. Other accomplishment highlights include hosting of approximately 30 million skiers; working to support legislation that would benefit organizational camps and outfitter services; establishing a Memorandum of Understanding (MOU) with the National Ski Areas Association to support their Environmental Charter program; establishing a MOU with the Association of Small Business Development Centers to assist agency permittees in business planning and agency personnel in acquiring business acumen; and a revision of agency policy for campground concessionaires to allow for accounting of indirect costs.

The Recreational Fee Demonstration Program, started in 1996, was implemented at 87 projects on 80 national forests in 32 States and Puerto Rico in FY 2002. The public benefit is reflected in additional expenditures of close to $121 million for the period 1996-2002 toward critically needed services and facilities, including repairs and maintenance, health and safety, interpretation and signage, annual operations, law enforcement related to public use, facility and habitat enhancement, and resource preservation. In FY 2002, the agency developed a draft framework for a consistent national fee program and worked closely with Department of the Interior agencies to coordinate more consistent cross-agency program delivery to benefit the recreating public.

Accomplishments for NatureWatch were significant, reflecting the ability of national forests to leverage dollars with partners.

Program Evaluations

Due to the need to divert resources to fire, a program review in Region 10 was postponed until funds are again available.

Two reports on the Recreation Fee Demonstration Program were issued to Congress in April 2002. The annual interagency report provided detailed financial results and highlights of program accomplishments for FY 2001. An interagency interim report provided results from the first 4 years of the program, including evaluation of investments, expenditures, experimentation, and research, as well as lessons learned and future direction for the Recreation Fee Demonstration Program.

A recent court case determined that a certain type of special use authorization is a contract as opposed to a license. This decision has resulted in the agency reviewing its entire Special Use Program to determine which authorizations could be classified as contracts. A major adjustment to agency policy will be needed to address these findings, along with training of personnel in contract administration procedures.

The southern province of the Pacific Southwest Region (Southern California) conducted a review of its Special Use Program. The review highlighted several concerns related to monitoring of expiration dates and followup on billing and collection procedures. A special team within the region is developing an action plan to address these findings.

Conclusions and Challenges

Public use at developed recreation sites is increasing. The agency estimates the annual direct costs to operate specific developed recreation sites at full-service standards to be $108 million. This amount far exceeds available appropriations. Therefore, the agency addressed the issues through managing concessions; using volunteer and human resource programs; developing partnerships with nongovernmental organizations, other agencies, and private sector businesses; reducing the quality of the service; shortening the time facilities are open; and continuing to defer needed maintenance.

A greater emphasis on reconstruction of existing sites along with higher levels of maintenance, rather than new construction, will allow the agency to improve the quality of the recreation experience. In addition, the agency elevated the need for facility master planning as a critical first step to realign the agency recreation offerings with available resources and customer demand. Inventory, facility condition, Meaningful Measures (MM), and National Visitor Use Monitoring Process data will all be used in determining the environmentally and financially sustainable mix of facilities that best meets customer demand.

The Recreation Fee Demonstration Program evaluation report concluded that, while the program successfully raised new revenue to invest in critical recreation needs, greater consistency is needed both within the USDA Forest Service and among the other agencies that participate in the program. The Interagency Recreation Fee Leadership Council was formed to address this and other program issues. The council membership includes the Department of Agriculture Under Secretary for Natural Resources and Environment and the Department of the Interior Assistant Secretary for Policy Management and Budget, along with agency heads and legislative affairs directors.

Special use permit administrators continue to feel the pressure of declining resources. The agency recognizes the need to develop additional human and financial resources for special use administration. The agency is considering methods to improve financial resources, including retaining special use rental fees and working with the Administration to draft legislation to allow for private sector investment in Government-owned facilities. In addition, the difference between target and actual accomplishment is primarily due to confusion in interpreting the definition of the standards, as well as inconsistent application of standards across all field units. The definition of the standard for this activity for the future has been revised to present a more meaningful description of work, incorporating simplified attributes.

Verification, Validation, and Limitations of Data Sources

Progress continues with the application of consistent costing as MM data is being used in budget formulation. In addition, the inventory, standards, and costing components of MM are now being used for developed site analysis and management. Agency guidance being prepared to conduct recreation facility master planning incorporates MM concepts and data. The agency has secured private consulting services to review our financial analysis process as it relates to the recreation program to help us refine our resource allocation framework.

The Special Uses Database System (SUDS) continues to improve in the second year of its implementation. While a great improvement over the previous system, the agency continues to find gaps in the information migration process.

Outputs shown with a data source indicator of MAR are collected through the Management Attainment Reporting process. The data is compiled by the districts and forests and then

reviewed by regional and national offices for reasonableness. Further validation has not been considered cost effective; accuracy of the data is dependent on entries made at the national forest level.

Strategic Objective 2b. Improve the capability of wilderness and protected areas to sustain a desired range of benefits and values.

Annual Performance Goals and Associated Measures:
(1) Manage uses and activities to prescribed standards to protect wilderness resources.

Measure: Percent of wilderness areas with uses and activities meeting prescribed standards.

(2) Forest management practices contribute to the mitigation of haze and other air-quality concerns.

Measure: Forest management practices contribute to the mitigation of haze and other air-quality concerns.

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Manage wilderness—Number of wilderness areas managed to standard	Program Staffs	NR [a]	39	39	101	105
Manage heritage resources—Number of heritage resources managed to standard	Program Staffs	NR	4,000	4,000	7,037	6,906
Manage air quality—Acres monitored [b]	MAR [c]	NR	7,964,000	7,964,000	1,3813,025	NR
Manage air quality—sites inventoried [b]	MAR	0	23	29	30	30
Manage Air Quality—Sites monitored [b]	MAR	35	35	35	35	35
Manage air quality—PSD [d] permit applications reviewed [b]	MAR	60	65	102	100	Not Verified [e]
Manage air quality—Number of monitoring sites reporting improved or stable air quality [b]	IMPROVE [f]	N/A [g]	34	34	34	34

a NR = Not reported or not available.
b Outputs were changed from acres to number of sites in FY 2000. Sites are more representative of the workload and are more reliable for counting and data verification purposes.
c MAR = Management Attainment Reporting database.
d PSD = Prevention of Serious Deterioration.
e Not Verified = Data not verified at time of audit.
f IMPROVE = Interagency Monitoring of Protected Visual Environments.
g N/A=Not applicable or not available

Overview

The USDA Forest Service manages 33 percent of the National Wilderness Preservation System, 97 of the 160 designated national wild and scenic rivers, and the majority of back-country opportunities available on public lands. Providing good-quality, undeveloped outdoor recreation opportunities and appropriate resource stewardship depends on a number of factors. The performance measure for wilderness stewardship is characterized by a number of components that collectively determine whether the resource is being managed to standard. These components include the development and implementation of a variety of plans that reflect the stewardship activities for wilderness. Such activities include fire, noxious and invasive plant management, wilderness education, air quality monitoring, identification and monitoring of adequate wilderness area standards, and completion of recreation site inventories.

Heritage resources, which are also protected, provide numerous benefits to the American people, including key connections to the Nation's historic and prehistoric past. Heritage resources cover a broad spectrum, including the physical remains of prehistoric and historic cultures, locations of cultural or religious significance, written records, and oral histories. Interest in heritage tourism is increasing and is being accommodated through increased protection, interpretation, and "hands on" opportunities to experience cultural resources on National Forest System (NFS) lands. The performance measure is based on several components used to determine whether the resource is being managed to standard. These components include resources identified and evaluated, protected, monitored, and preserved; heritage values promoted; and heritage data integrated into natural resource analyses, plans, and articles.

Air quality strongly affects the condition of both natural and cultural resources. The Clean Air Act holds the agency responsible for protecting forest air quality and air quality-related values from the adverse effects of air pollution. Forest air-quality conditions result from the cumulative impacts of regional emission sources; the agency has limited ability to effect changes in air quality. The USDA Forest Service participates in Federal and State regulatory programs and policies that protect its resources. The air quality performance measures address visibility, ozone, and acid precipitation in all forest areas that monitor air quality, not only those designated as Class I air quality wildernesses. The agency encourages and supports the development of monitoring programs that are based on national or State protocols and are fully integrated with a national strategy.

FY 2002 Performance

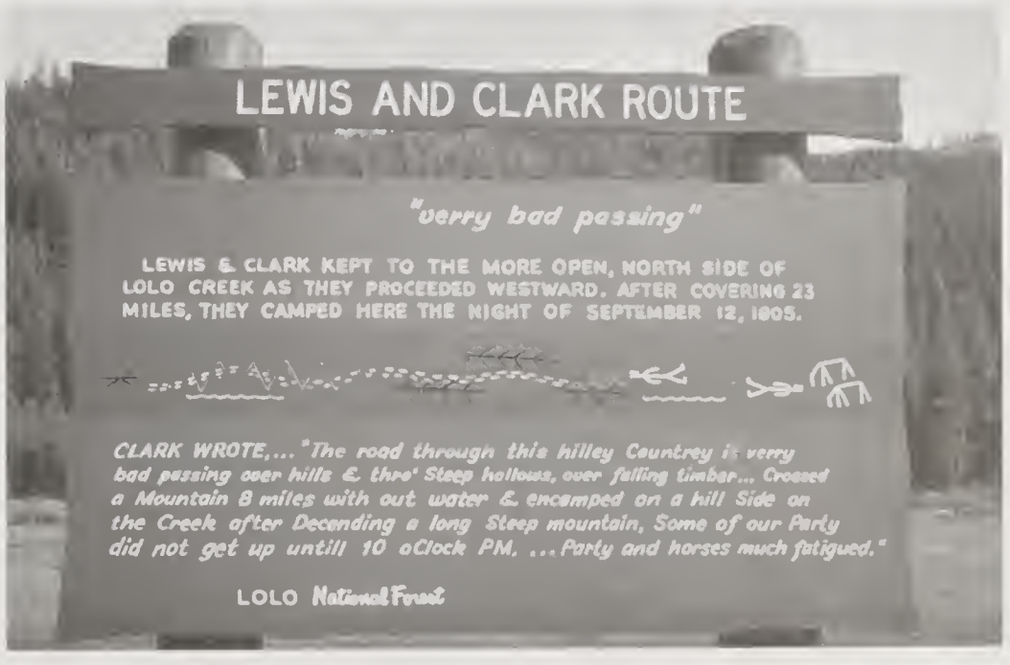
The Forest Service Wilderness Monitoring Committee, along with other Federal wilderness management agencies, drafted "A Protocol to Monitor and Evaluate Trends in Wilderness Character." When completed, this protocol will provide the specific methodology needed to evaluate whether or not our stewardship efforts are protecting and restoring wilderness character as required by law.

Through continued support to the interagency Arthur Carhart National Wilderness Training Center, wilderness accomplishments include:

- Nine unit wilderness workshops, attended by 260 managers and staff, resulting in increased awareness of wilderness and proficiency in its stewardship by agency personnel. In addition, planning and wilderness suitability processes were established on two units.
- The first multiagency-unit wilderness workshop, which resulted in increased collaboration

and consistency in wilderness stewardship across agency boundaries.

- Development and support of the Internet Web site wilderness.net, highlighted by National Geographic Society's online magazine *Best of America*, realizing a 25 percent daily increase in the number of visitors to the site.
- Review of the K-12 Wilderness and Land Ethic curriculum to determine the degree to which lessons meet national education standards. The curriculum will be shared with thousands of teachers and students over 3 years through a partnership with the National Park Service and Student Conservation Association *Lewis and Clark Corps of Discovery II Project* beginning in 2003.
- Began production of "*American Values: American Wilderness*," a video slated for national broadcast to increase public awareness, understanding, appreciation, and support of the National Wilderness Preservation System. The video is expected to be viewed by thousands of people over 3 years through partnership with the National Park Service and Student Conservation Association *Lewis and Clark Corps of Discovery II* Project beginning in 2003.



The USDA Forest Service facilitated improved interagency coordination in implementing the Wild and Scenic Rivers Act through its participation in the Interagency Wild and Scenic Rivers Coordinating Council. The council, initiated in 1995, continues to develop technical products, provide training of field personnel, and expand its Web site, significantly increasing consistency in the management of designated wild and scenic rivers and evaluation of study rivers.

To help achieve the objectives of the USDA Forest Service strategic plan, a subordinate document, "The Wild and Scenic Rivers Agenda," has been developed. The agenda defines priorities for developing plans and administering 97 designated rivers, as well as protecting nearly 700 study rivers identified to date through the agency's planning processes.

Despite the extreme wildland fire season of FY 2002, heritage sites managed to standard reached 98 percent of the national target. Two regions fell moderately short of their goals, but

these regions were most affected by the demands of the fire season, specifically by shifting attention from program activities to wildfire suppression and rehabilitation. Other regions that were not as affected by wildfire managed to compensate by exceeding targets. Most regions are within 5 percent of target goals.

The USDA Forest Service addressed the Environmental Protection Agency's (EPA's) national visibility goal during FY 2002 in several ways. The USDA Forest Service participated in all five regional visibility planning organizations, established or updated memoranda of understanding with States to implement effective smoke management programs, continued to review Prevention of Significant Deterioration (PSD) permits to minimize impacts of large new off-forest facilities, ensured that its activities in nonattainment areas conformed to State or tribal air quality implementation plans, and continued to support and improve air quality monitoring programs.

Program Evaluations

Evaluation of the heritage program supports the continued practice to set targets at a modest level because flat or reduced heritage funding necessitates accomplishment of program goals while providing support to other USDA Forest Service programs. While this work helps protect heritage resources from the effects of other USDA Forest Service undertakings, it does little to accomplish heritage program goals as mandated in the National Historic Preservation Act.

The number of air quality monitoring sites has not changed, but the activities and outputs table above shows the addition of many new sites that are considered inventory until they have at least 3 years of data. The deployment of visibility monitors was completed in FY 2002. The PSD permit reviews continue to remain high due to increased emphasis on building energy facilities. Currently, the air quality result measures are based on 10-year rolling average trends. The USDA Forest Service is working with the National Park Service (NPS) and the EPA on the trends protocol, which may result in change to the measurement standards.

In FY 2002, the EPA and several States began auditing the visibility monitoring sites. In addition, the Interagency Monitoring of Protected Visual Environments (IMPROVE) program—which does extensive, long-term monitoring of national parks and wilderness areas and establishes current visibility conditions, tracks changes in visibility, and determines the cause of visual impairments—recognizes site operation excellence. Two USDA Forest Service sites were recognized this year for data collection efficiency, having entered 100 percent of their data in the IMPROVE database.

The USDA Forest Service, Bureau of Land Management (BLM), and EPA accomplished real-time smoke monitoring this year on several major fires. Smoke data was available on the Internet to the fire teams and county health officials, updated every 15 minutes. A review of the effort has been completed and improvements are in progress. This was the first year for EPA's smoke emergency response team that resulted from a review and recommendations made 2 years ago. Improvements to the Web site are being tested.

Conclusions and Challenges

People are visiting national forests and grasslands in record numbers. Our challenge is to meet the soaring demand for nature's amenities while safeguarding the health of the lands and protecting the resources. Education efforts must involve more partnerships to reach the growing number of users seeking opportunities for solitude, and rediscovering the Nation's heritage. The USDA Forest Service will continue to refine the measures and performance goals to accurately monitor the efforts to educate visitors and gauge their satisfaction and preferences.

A continued trend in declining funds in the heritage program inhibits our ability to adequately protect and interpret cultural resources. Although the agency continues to find ways to use outside partnerships and assistance to even greater degrees, there are a limited number of heritage personnel to initiate these actions. The USDA Forest Service also faces growing public demand for heritage tourism while our ability to provide those opportunities declines. Partnerships and public programs help keep the program viable. The Passport in Time (PIT) volunteer program is instrumental in protecting sites, and continues to accomplish as much as 25 percent of the preservation work on national forests.

Visitors to national forests and grasslands expect clean, clear air and cherish the natural resources and majestic vistas associated with the special places. Monitoring conducted in national forests documents that, in most areas, air quality is better than the standards set by EPA. In addition, air quality is improving or remaining stable in about 40 percent of the units where monitoring occurs. Some of the areas occasionally experience essentially pristine air quality conditions unaffected by air pollution.

Unfortunately, air quality in national forests is not always pristine. Some natural resources, such as trees and lakes, readily show the impacts from air pollution. In many cases, significant damage has been done before the impacts become visible. The USDA Forest Service will continue to communicate information about air pollution conditions in the national forests to the public. The agency will provide advice and technical assistance to State, Federal, and tribal regulatory agencies; work cooperatively through partnerships with a variety of stakeholders in the development of air pollution control strategies; and promote pollution prevention practices through education and outreach, use of clean vehicles, solar power generation, emissions inventories, and mitigation of pollution from activities in the national forests.

Verification, Validation, and Limitations of Data Sources

The USDA Forest Service's Wilderness Program conducted the first national upward reporting exercise using Infra-WILD in FY 2002. The data is being used for program management and public information dissemination purposes. This information will form the basis for the State of the Wilderness Report, which is currently under development.

The USDA Forest Service completed a database of eligible or suitable wild and scenic rivers for use in the forest plan revision process and ongoing national forest management. Through its reporting functions, the database provides for ready assessment of the status of the wild and scenic river study program nationally, regionally, and at the forest level. Additionally, it provides river managers with a repository of key information on wild and scenic study rivers.

Updated data quality protocols for the IMPROVE monitoring network have been in place for 3 years. Network audits are being conducted by EPA and State regulatory agencies to assess and maintain quality. Problems with the backlog of data from the contractor have been fixed.

Strategic Objective 2c. Improve the capability of the Nation's forests and grasslands to provide desired sustainable levels of uses, values, products, and services.

Annual Performance Goals and Associated Measures:

(1) Products and services are provided for subsistence, commercial, and noncommercial uses within sustainable limits.

Measure: Percent of products and services that are provided within sustainable limits.

(2) New bio-based products, including energy, are developed from small-diameter and low-value trees.

Measure: Extent of use of new bio-based products developed from small-diameter and low-value trees.

(3) Heritage and significant geologic resources are protected, stabilized, and monitored.

Measure: Percent of priority heritage and significant geologic resources protected, stabilized, and monitored.

(4) Accelerate carbon sequestration through active forest management.

Measure: Number of acres restored through management to a sustainable forest condition.

(5) Critical lands or interest in lands are secured for administrative, resource management, and public needs.

Measure: Number of acres of identified critical lands acquired in full fee or interest in lands through conservation easements to protect the private forest land base to meet administrative, resource management, and other public needs. *

* Measure 5 has been rewritten to replace the original measure of "Percent of identified critical lands or interest in lands that are secured for administrative, resource management, and public needs." It is not feasible to collect the data as stated in the original measure.

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Monitor forest plans—Reports completed	MAR [a]	101	87	104	119	92
Plan regular timber sales—Approved NEPA[b] documents through appeals and litigation	MAR	NR [c]	NR	NR	41	NR
Prepare regular timber sales—Hundred cubic feet of timber volume offered [d]	STARS [e]	2,984,558	2,223,952	2,035,164 [f]	3,073,824	2,185,546
Administer total timber sales—Hundred cubic feet of timber volume harvested [g]	TSA [h]	5,877,142	5,084,853	3,530,158	3,774,952	3,402,989
Administer special forest products (nonconvertible)—Number of permits administered	TSA	NR	NR	NR	221,453	NR
Plan salvage timber sales—Approved NEPA through appeals and litigation	MAR	NR	NR	NR	NR	NR
Prepare salvage timber sales—Hundred cubic feet of salvage timber volume offered [d]	STARS	1,381,345	997,119	1,347,181 [f]	1,092,757	1,169,885
Administer salvage timber sales—Hundred cubic feet of salvage timber volume harvested	TSA	– [i]	– [i]	– [i]	NR	– [i]
Establish vegetation—Acres established	TRACS [j]	268,520	217,215	195,593	NR	160,814
Improve forest and rangeland vegetation—Acres improved	MAR	NR	NR	4,539,798	1,926,499	170,044 [k]
Preparation of allotment NEPA—Number of grazing allotments with signed decision documents [l]	INFRA [m]	464	354	184	367	Not Verified [n]
Process mineral operation proposals—Number of mineral operations processed to standard	MAR	12,247	11,171	7,931	8,670	8,328
Provide geologic services—Number of reports completed	MAR	NR	NR	NR	1,020	1,091

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Adjust land ownership—Acres adjusted	MAR	337,396	75,295	35,132	20,174	15,553
Administer land use authorizations—Number of authorizations administered to standard	Program Staffs	18,726	12,108	12,907	10,011	11,498
Process land use proposals—Number of land use proposals processed	Program Staffs	5,984	3,907	3,870	2,303	2,791
Protect land ownership title—Total number of encroachments and title claims with formal activities	Program Staffs	332	263	292	498	441
Survey boundary lines—Miles of boundary line marked/maintained	MAR	3,102	2,880	3,187	2,637	2,552
Purchase land—Acres acquired	MAR	151,439	139,445	128,913	62,796	42,817
Conserve environmentally important forests threatened by conversion to non-forest uses—Forest Legacy Project acquisition (acres)	PMAS[o]	19,281	31,263	84,709	200,000	57,009
Assist through States in the preparation of NIPF[p] lands stewardship management plans—Thousands of acres of NIPF lands under forest stewardship plans.	PMAS	1,866	1,437	1,617	1,408	1,640

a MAR = Management Attainment Reporting database.
b NEPA = National Environmental Policy Act.
c NR = Not reported or not required.
d These timber sale-related activity titles have been changed from the FY 2002 Annual Performance Plan to clarify that the outputs from the regular timber sale program are separate from the salvage sale program. Both outputs must be combined to obtain the total timber sale-related outputs.
e STARS = Sales Tracking and Reporting System database.
f Includes FY 2000 carryover volume.
g Data for FY 1999 and FY 2000 were derived from the actual board foot volumes reported using a national average 5 board foot per cubic foot ratio.
h TSA = Timber Sale Accounting System database.
i Data included in Administer Total Timber Sales outputs.
j TRACS = Timber Activity Control System database.
k Includes timber stand improvement accomplishments only; range accomplishments were not reported.
l The output for the activity has been changed to reflect the correct Budget Formulation and Execution System title rather than the "number of grazing allotments with signed agreements" as shown in the FY 2002 Annual Performance Plan..
m INFRA = Infrastructure database.
n Data not verified at time of audit.
o PMAS = Performance Measurement Accountability System database.
p NIPF = Non-Industrial Private Forest.

Overview

The agency provides a sustainable supply of values, products, and services from National Forest System (NFS) lands, and encourages and supports other landowners to do the same. Through State and Private Forestry (S&PF) programs, assistance is provided to a variety of partners in land management, land conservation, and natural resource-related economic development efforts.

National Forest System

National forests are an important source of timber from Federal lands. Timber from the national forests supplements timber provided from private lands to meet our growing demand for products derived from trees. Today, the majority of national forest timber sales are designed to incorporate multiple objectives, including insect and disease prevention and control, wildlife habitat improvement, and fuels reduction. In addition, national forests are also an important source of forage for livestock under grazing permits that allow the permit holder to use and occupy NFS lands. Mineral operations on NFS lands provide energy resources, base and precious metals, and industrial minerals for industry partners to develop and produce, thereby contributing to local economies. The Minerals and Geology Management Program provides for the management, protection, and use of geologic resources on national forests including caves, fossils, interpretive sites, and rock-collecting areas.

National forests are monitored and evaluated through land and resource management plans (LRMPs). Plan reports describe plan implementation evaluations, how effective management actions are in achieving desired results, and the validity of underlying assumptions made in the plans. Results are used in adaptive management to keep plans current and adjust decisions to correct or improve management of the NFS lands.

Land consolidation through acquisition or exchange enables the agency to better manage Federal lands within or adjacent to NFS boundaries. Emphasis is placed on acquisitions that will improve outdoor recreation, protect critical wildlife habitat, preserve cultural resources, and respond to urban and community needs. Administrative benefits are provided by reducing property boundaries, protecting property rights, acquiring rights-of-way, authorizing special uses, and simplifying road management and fire protection. Many of these activities are essential to local economies and the sustainable supply of goods and services and provide for the public's enjoyment, future use, and access to NFS lands.

State and Private Forestry

Within the S&PF deputy area are several programs that address the goals, measures, activities, and outputs of this objective. The goal of Economic Action Programs (EAPs) is to build the capacity of natural resource-dependent communities to manage change. In addition to building crucial working relationships and partnerships with communities, direct financial and technical support is provided to rural communities for addressing current and relevant issues and opportunities, such as developing new bio-based products, including energy, by using small-diameter and low-valued material. These programs are primarily delivered through the Economic Recovery, Rural Community Assistance, Rural Development, Wood In Transportation, and Forest Products Conservation and Recycling program components.

Essential to accomplishing economic goals are partnerships with other Federal agencies, State foresters and economic development organizations, university extension services, county and local governments, resource conservation and development (RC&D) councils, nonprofit organizations, private landowners, and many others. Partnerships that involve all the following

major components are a prerequisite for success: raw material acquisition, technical and financial feasibility, capital, workforce, marketing, and business skills. Failure in one component can result in failure of the entire venture. See also a discussion of EAPs under strategic objective 3a.

The goal of the Forest Legacy Program (FLP) is to protect environmentally important forests threatened by conversion to nonforest uses. The program operates on a "willing buyer and willing seller" basis and is completely nonregulatory in its approach. No eminent domain authority or adverse condemnation is authorized for this program. The FLP acquires land through full fee or conservation easement real estate transactions that typically take 12 to 24 months to complete. Therefore, budget allocations in a fiscal year may not result in acres acquired in the same fiscal year. Due to the voluntary nature of the program, acreage goals can only be estimates.

The Forest Stewardship Program (FSP) helps landowners become better informed of the value of their forest resources and how they can manage these resources to produce the goods and services they desire on a sustainable basis. Preparation of forest stewardship plans allows landowners the opportunity to identify their primary management objectives and learn how these objectives can be achieved. See also the Forest Stewardship discussion under strategic objectives 2d and 3a.

FY 2002 Performance

Overall, the agency fell below its expected targets for many activities and outputs due to personnel and funding shifts to meet the fiscal year (FY) 2002 firefighting efforts. The impacts affected both NFS and S&PF program areas.

National Forest System

Accomplishments from the NFS include:

- Approximately 76.5 percent of LRMP monitoring and evaluation reports was accomplished. Program effectiveness relies on consistent data collection over time, using standard protocols and long-term sampling procedures designed to assess specific changes in resource condition.
- The total timber sale program achieved almost 81 percent of its target for timber volume offered for sale. Of the total, salvage timber offered was 107 percent of its target.
- The number of completed NEPA process decision documents signed this fiscal year was lower than planned as national forests fell behind in achieving the objectives of the grazing allotment NEPA schedule due to diverting employees to fire assignments or to work on appeals and litigations. Priorities shifted between allotments, and as a result, some work was completed early while other NEPA analysis work has been delayed.
- Approximately 70 percent of land acquisitions and exchanges was accomplished.
- Nearly 97 percent of the national forest boundary line marking and maintenance goal was achieved.
- Resolved 441 trespass and encroachment cases to remove unauthorized use and occupation of public lands.
- The agency met 100 percent of its goal of managing all targeted acres of NFS lands to standard on grazing allotments across the country.

For "mineral operations processed to standard," the USDA Forest Service cannot predict the number of proposals that might be submitted in a given fiscal year. Targets shown for FY 2002 represent field office capability; however, the number of new proposals in any given year is dependent on market conditions and other factors. Although processing can be delayed by environmental requirements or temporary unavailability of personnel, there are no long-term backlogs in this program.

In FY 2002, 115 percent of the special use permit target was administered to standard and 121 percent of land use proposals was processed above the national target. The agency is currently revising the process to track accomplishments reported by the national forests in processing land use proposals and administering land use authorizations. Concurrently, a more concise and measurable definition of "administered to standard" is being developed for consistency in reporting accomplishments in the future.

State and Private Forestry

Through the EAPs, the agency has provided both technical and financial support to new small, rural businesses that produce products made from small-diameter and low-value trees. The USDA Forest Service made significant progress in facilitating the development of new bio-based products; additional accomplishments were forestalled by continued emphasis on implementing the National Fire Plan (NFP) and the transfer of program funds to help cover firefighting costs in FY 2002. Numerous examples exist, however, of projects that have made progress in FY 2002, including bio-diesel made from poplar trees; red maple trusses; schools and other institutions being heated by wood chips; small-scale, bio-power systems producing electricity and heat from forest residues; small-diameter roundwood trusses; wood flooring, cabinets, paneling, and furniture being made from low-value species; juniper/plastic composites; and others.

FLP acquisitions of 57,009 acres fell short of the target of 200,000 acres for FY 2002, partly as a result of the transfer of program funds to help cover firefighting costs during the year. This resulted in delays to projects that were due to be completed during the fiscal year. In addition, appraisal review services that the agency normally provides to States for FLP projects were diverted, also resulting in delays to some projects expected to close in FY 2002. These projects will carry into FY 2003; completion is expected if the funds are restored. Through FY 2002, the Forest Legacy Program has protected over 300,000 acres since inception. Other significant accomplishments include new and enhanced partnerships with State agencies and nongovernmental organizations. Furthermore, many State-led agencies that participate in the program have improved their capacity to conserve important and sensitive forests.

Forest stewardship plans were written for 18,102 ownerships covering nearly 1.64 million acres of NIFP lands in FY 2002. In total, nearly 25 million acres of NIPF lands are covered under approximately 217,000 forest stewardship plans.

Program Evaluations

There were no program evaluations conducted by the Ecosystem Management Coordination Staff during FY 2002.

National Forest System

Timber sale program evaluations in FY 2002 included reviews of the timber sale appraisal, preparation, harvest administration, and theft prevention programs in Region 9 (Eastern Region). It was found that the Region 9 timber sale appraisal handbook needs updating, which will be done in FY 2003. It was also found that the currency, completeness, and application of timber sale-related environmental analyses and documentation varied widely in the region. It was recommended that a review of regional procedures and standards for environmental analysis and documentation be made to ensure they agree with national procedures and standards.

In the spring of 2002, the INFRA Rangeland Module, which is the corporate database of national forest grazing allotments and permits, was reviewed to evaluate progress on the completion of allotment NEPA procedures. It showed that national forests met approximately 50 percent of their scheduled work. The delay in meeting the schedule was due to difficulty in moving through the NEPA process itself, appeals of project decisions, lack of trained field personnel, and inadequate project funding. Livestock grazing program evaluations were planned at the regional and national forest levels, but the reviews were cancelled late in the fiscal year.

One program evaluation for Minerals and Geology Management was conducted in FY 2002 in Region 9. There were no significant findings or recommendations.

Land Ownership Adjustment Program oversight evaluations were conducted for all regions in FY 2002. Evaluations were completed to ensure that land exchanges are being processed consistently with applicable laws, regulations, and policies. Evaluations were also conducted to ensure that regions properly manage delegations and third party activities and provide oversight for their Land Ownership Adjustment Program.

State and Private Forestry

Due to the need for redirecting resources to cover fire suppression costs, no regional or national evaluations were conducted this year for EAPs.

A FLP review of Region 6, which provides service to the States of Washington and Oregon, was conducted in FY 2002. The region was found to be providing excellent service to the States. The region recognized that the growth of the program requires a dedicated staff position. This new position will provide assistance to Alaska, California, Hawaii, Oregon, and Washington.

The FLP underwent an extensive inquiry by the U.S. House of Representatives Committee on Appropriations Surveys and Investigations staff. That investigation looked at all of the regions across the country and included participating States and other partners. A report of findings was published in June 2002. The USDA Forest Service prepared a response to the report outlining actions taken and to be undertaken to address issues raised in the report.

The Washington Office Cooperative Forestry Staff undertook an evaluation of the implementation of all the FSPs in Region 6. The evaluation indicated that implementation of the FSPs was very successful. No significant issues were identified.

Conclusions and Challenges

National Forest System

The agency needs to strengthen its reporting of monitoring and evaluation results. Those reports not published in FY 2002 will be included in the unit's FY 2003 monitoring and evaluation report. A national meeting with regional monitoring and evaluation coordinators and monthly conference calls will stress compliance with these targets. Additionally, the agency will strengthen the relationship between these reports and strategic and annual performance plans.

Environmental and species protection provisions are evolving faster than the agency can react to them. The currently poor timber market conditions have significantly affected our ability to accomplish our vegetative management objectives through the timber sale program. Timber sales being planned and prepared are affected by appeals and lawsuits on other sales, leaving no prepared sales in the pipeline to replace those that are delayed or withdrawn. Sale preparation costs are also increasing faster than outyear budget plans anticipate, so field units have less ability to meet assigned targets. In addition, the Timber Sale Pipeline Restoration Fund has not yet been able to increase the pipeline.

Program Evaluations

The agency expects that animal unit months of grazing under permit will decline slightly as more allotment management plans are reviewed and evaluated using the NEPA process. New livestock grazing permits will be issued following these allotment analyses; an expected decline in permitted numbers is expected to be reflected in these permits. As new decisions are made, the acres under grazing are expected to decline slightly. Because of this, the acres of grazing allotments administered to standard will decline commensurately.

The USDA Forest Service continues to keep pace with the number of proposed energy and mineral operations while meeting various environmental requirements, despite the need for employees to work on many different priorities. In part, this is the result of the decline in new proposals due to delays, additional costs, and uncertainty of energy and mineral development approvals on NFS lands.

Over the next several years, key opportunities are expected for exchange or purchase of lands from industry and other private landholders for the national forests. Many areas within or immediately adjacent to existing national forests contain important resources. If acquired, these purchases will help the USDA Forest Service meet critical objectives related to public outdoor recreation opportunities, critical wildlife habitat, and wilderness or other congressionally designated areas. These purchases will also improve management efficiency and decrease property management administration costs.

The agency is facing serious challenges in being able to adequately manage its 45,000 nonrecreation special use authorizations and in conducting monitoring and inspections to ensure compliance with existing authorizations. At current funding levels, the agency is able to administer only about 25 percent of its authorizations annually, and a growing number of authorizations have expired. The agency lacks the resources needed to aggressively evaluate the impacts of existing uses and occupancies, to determine whether or not to continue to authorize use or occupancy, and to identify provisions needed in new authorizations to adequately protect NFS lands and resources.

The increasing relocation of the public into the rural landscape, as well as the exploding wildland-urban interface, is significantly increasing the volume and frequency of encroachments and unauthorized trespasses on USDA Forest Service lands. Fire rehabilitation, fire suppression, and fuels reduction activities occurring along the boundaries of the national forests impact public lands. The greatest challenge will be to ensure that boundary lines are marked and maintained in those areas where increased populations and public use have increased the impacts on public lands.

State and Private Forestry

There are many creative ideas emerging through the EAPs for developing new, bio-based products from small-diameter and low-value trees. This past fiscal year has seen numerous products working their way into the market. For every two successes, however, there are four failures—converting a concept into a reality is a difficult task. The EAPs are getting better at identifying and prioritizing potentially successful efforts. The financial and technical resources have been increased with the advent of the NFP, thus providing more seed funds and helping launch new, bio-based products. Challenges include sustaining funding to continue activities during the startup, learning, and development stages; helping these enterprises become self-sufficient; and meeting the demand for services.

The FLP is a growing program that has expanding appeal to States, nongovernmental partners, and Congress. An increase in program funding to $65 million for FY 2002 and the introduction of seven additional participating States bode well for future accomplishments. Unfortunately, the same caveats stated above apply to future years. The typical uncertainty associated with real estate transactions and voluntary participation by private landowners inherently makes target setting more art than science.

Annual FLP accomplishments vary greatly, but expanding field unit capacity and additional, consistent funding will improve program performance predictability. Funding for the FLP increased for FY 2002 to $65 million, and the FY 2003 President's Budget proposes approximately $70 million. This increased funding will result in accelerating accomplishments, but will also put a strain on the current capacity of services. Options such as outsourcing and expanded partnerships may help the agency's ability to provide services.

As a result of the House Committee on Appropriations investigation into the FLP, new program policies and process approaches have been developed and will be implemented over the next several years. These will improve program management efficiency and effectiveness and fiscal accountability.

An analysis of FSP plans conducted in 2000 indicated that plan writers were not always adequately addressing nontimber values to the extent required by statute. As a result, a desk guide and a Web site were developed to assist landowners and plan writers in writing forest stewardship plans, including information on forest management for timber and nontimber values. Additional evaluations will be needed to determine the effectiveness of these tools.

Verification, Validation, and Limitations of Data Sources

National Forest System

Outputs shown with a data source indicator of MAR are collected through the Management Attainment Reporting process. The data is compiled by the districts and forests and then reviewed by regional and national offices for reasonableness. Further validation has not been considered cost effective, so accuracy of the data is dependent on entries made at the forest level.

The USDA Forest Service took several actions in FY 2001 and FY 2002 to improve the quality of the MAR data for completion of forest plan reports. A new database, Natural Resource Information System (NRIS), is starting to be used to accumulate monitoring data and facilitate its evaluation using consistent methods. NRIS was designed and implemented to reduce the amount of time for data entry and tabulation, and to minimize the risks of errors from manually consolidating data entry sheets; to facilitate field review of accomplishments reports; and to improve data analysis, control, and validation efforts. This system addresses Office of Inspector General recommendations in a June 2000 report on implementing "reasonableness" checks in the reporting process.

The forest products activities and outputs are presumed to be provided within sustainable limits because the levels of most outputs provided today are significantly less than the levels provided in the past. To move toward achievement of the established annual performance goal of "products and services are provided for subsistence, commercial and non-commercial uses within sustainable limits," it is necessary to establish how sustainability will be defined and measured. Processes designed to assess sustainability are under development. In the meantime, periodic assessments of inventory and monitoring data must serve as indicators of sustainability.

"Timber sale volumes offered for sale" is entered by field personnel into the Sales Tracking and Reporting System (STARS), from which accomplishment reports are run. In addition, timber sale "sold and harvest" information for each sale is recorded on form 2400-17, and regularly inputted into the Timber Sales Accounting (TSA) System. These processes are managed in conformance with the direction provided in the Timber Management Information System Handbook (FSH 2409.14), Chapter 30, Timber Sale Information and Chapter 40, Timber Harvest Information, as well as the Automated Timber Sale Accounting Handbook (FSH 6509.17).

Keeping track of recent range project decisions once a NEPA analysis is completed is accomplished using the Range Module within the INFRA database. This database is used on all forests with a livestock grazing program. There are numerous steps to completing an analysis and making a project decision, and the INFRA database tracks this information. In spring 2002, the database contained up-to-date information for nearly all grazing allotments on NFS lands. Data input has fallen off since this effort was completed. The number of decisions made after new NEPA analyses reflects this data input problem. Similarly, information on allotment acres administered to standard may actually be higher than reported. To correct these problems, the database and entry forms are being modified to allow tracking starting in FY 2004. This is expected to improve reporting and accuracy.

Land ownership case information is entered on a Proposed Exchange form (FS-5400-10) or proposed Purchase Sheets (FS-5400-9) at the field level in conformance with direction

provided in the Land Acquisition Handbook (FSH 5409.13). The acquired acreage reported on the digest sheets is then entered into the MAR system by each unit for national reporting.

Lands Special Use Authorization (SUA) information is entered into the INFRA Special Uses Database System (SUDS) at the field level to track scheduled and completed SUA inspections. In FY 2002, SUDS was modified to collect data of completed inspections into its biannual data collection snapshot. The accuracy of data is dependent, in part, on whether inspections are documented in SUDS.

Individual forests and grasslands record boundary management accomplishments in their respective Corner Status Atlas in conformance with direction provided in the Surveying Manual (FSM 7150). These accomplishments are physically marked on hard copy maps and then reported in the MAR system by each region for national reporting. Boundary management accomplishments will soon be electronically tracked in the Automated Lands Program (ALP) database.

Title management information is reported in several formats. Small Tract Act case information is reported through Form 5500-3, Small Tract Act Parcels Report; land status information is reported through the Land Areas Report and also in the ALP system; and title claims are reported through the litigation process or through administrative procedures. These reporting requirements have been in place for several years and provide an accurate and reliable measurement of the annual accomplishments and the agency's progress in resolving access issues.

State and Private Forestry

The data source for FY 2002 accomplishments of the EAPs is a new database used to assess and account for the program's activities. The database was significantly revised during FY 2002, and program managers in the Washington Office are continuing to evaluate and expand the capabilities of the tool. The intent is to maintain an accurate and reliable database that will help manage, track, monitor, and report all EAP assistance and activities, including new bio-based products from small-diameter and low-valued trees.

The FLP has developed a national database (Forest Legacy Information System) through the National Information Center in St. Paul, MN, associated with the Northeastern Area. This Web-based system allows program managers to update information and increases their ability to estimate project completion dates and form accurate target estimates in future years.

FSP data entered by each State has been closely scrutinized. In cases where there was a marked difference in FY 2002 data entry compared with FY 2001 data, the State has been contacted to ensure that the numbers are accurate.

Strategic Objective 2d. Increase accessibility for a diversity of people and members of underserved and low-income populations to the full range of uses, values, products, and services.

Annual Performance Goals and Associated Measures:
(1) Agency plans, programs, and activities demonstrate involvement of interested and affected people from all segments of society, including underserved and low-income populations.

Measure: Percent of persons participating in agency processes, programs, and activities that represent underserved and low-income populations.

(2) All segments of society, including underserved and low-income populations, have the capacity to effectively participate in the planning, delivery, and consumption of USDA Forest Service products and services.

Measure: Percent of USDA Forest Service administrative units whose products and services meet target population accessibility standards.*

* Forest Stewardship Program (FSP) services are administered by State forestry agencies. The USDA Forest Service does not keep national records of the percent of State forestry agency units that meet target population accessibility standards. This measure will be rewritten to better reflect FSP goals.

Overview

The USDA Forest Service provides services and opportunities to Americans of all racial and ethnic backgrounds. Through a variety of employment and economic outreach programs, the agency strives to encourage and increase participation of many diverse individuals and groups. Many of these efforts are directed at minority, poor, and other underserved groups throughout the Nation.

The agency's strategic plan and the strategic public outreach plan, goals, and objectives provide the corporate umbrella for many national efforts and local activities already under way. They also provide new opportunities to work and learn together, ensuring that all Americans, including the underserved, participate in natural resources management and benefit from agency programs and service. Our Nation is rapidly changing and becoming more diverse. This increases the agency's need to find common ground and build relevance with all segments of society, including underserved populations and communities, in order to carry out the agency's mission, plans, programs, and activities. These improvements result in a more productive work environment and better customer service.

In the development of forest management plans, including Forest Stewardship Plans, the USDA Forest Service helps a diversity of landowners. The distribution of nonindustrial private forest (NIPF) landowners participating in the development of forest management plans is tracked by race and ethnicity. (See also Forest Stewardship Program discussions under strategic objectives 2c and 3a.)

FY 2002 Performance

The USDA Forest Service continues to accomplish and expand upon the USDA Civil Rights initiatives integral to customer service delivery. Through the strategic public outreach plan, the agency continues to establish and build positive working relationships with underserved, minority, low-income, and limited-resource communities in collaborative land stewardship, as well as to improve customer service and increase program delivery and outreach. Communities affected include Hispanic, Asian-Pacific Islander, African American, and other multiracial/cultural community-based organizations.

The USDA Forest Service national headquarters provided seed money to field units that demonstrated excellent public outreach partnerships with diverse, underserved communities. These excellent models of public outreach with underserved communities are the focus of agencywide dialogue to improving customer service, public outreach, and collaborative stewardship initiatives.

The USDA Forest Service implemented a partnership agreement with the National Network of Forest Practitioners (NNFP) to help implement the National Fire Plan (NFP), a key national initiative. This agreement ensured underserved communities are integral to the implementation of aspects of the NFP and Large-scale Watershed Restoration Projects initiatives. NNFP implemented a series of local and regional meetings delivered through external community-based organizations and underserved communities.

The USDA Forest Service developed the National Hispanic Radio outreach pilot project, which included a contract with the Hispanic Radio Network (HRN), La Red Hispana, Inc. The contractor aired more than 30 USDA Forest Service program stories nationally and internationally across the HRN radio affiliates. Spanish language stories included wildfire prevention and suppression activities, careers in natural resources and requirements of such careers, and other USDA Forest Service programs offered at the field units.

The Pacific Southwest Region and the University of California, Berkeley, created a partnership to support numerous community-based organizations. The partnership worked to establish a forum for dialogue between the USDA Forest Service and underserved communities, called "People for Forest, Forest for People—Just Forest Symposium." The forum has been planned for FY 2003.

Civil Rights Impact Analyses (CRIA) and Social Impact Assessments are integral to national forest land and resource management plans and other administrative decision processes. During FY 2002, the USDA Forest Service implemented these analyses and assessments for numerous programs and policies. Noteworthy actions include establishment of the Forest Service Limited Tree Removal Policy/Program and several USDA Forest Service organization management decisions. The CRIA tool ensures that diverse perspectives, values, uses, products, and services important to affected American populations are considered and engaged.

The USDA Forest Service national outreach coordinator and the USDA Office of Outreach coordinated several FY 2002 events to provide technical assistance and resources to underserved communities, including the Third Annual Small Farmers Conference in Albuquerque, NM, as well as assistance in the development and implementation of the 2002 Farm Bill.

The agency is striving to improve minority participation in the FSP, which assists, through States, NIPF landowners in development of forest management plans and encourages sound natural resource practices. Minority landowner participation in the FSP was 2.9 percent of the total in FY 2002. Minority participants identified themselves as Black (2.1 percent), Native American/Alaska Native (0.2 percent), Asian American (0.5 percent), or Hispanic (0.1 percent). The percent of non-Caucasian participants has decreased since the most recent prior data on the racial/ethnic makeup of landowners was collected in 1978. At that time, participation by race/ethnic origin was Black (4.6 percent), Native American/Alaska Native (1.1 percent), Asian (0.8 percent), and Hispanic (0.2 percent). It is unclear if the lower participation percentage is due to a decrease in minority ownership of NIPF since 1978, or because there is a need to greatly enhance program outreach. The USDA Forest Service has, in any case, taken measures to improve outreach, including the publication of an outreach handbook and its distribution to our State partners. Some States have also initiated outreach efforts such as hosting landowner field days and workshops, as well as creating outreach positions.

Program Evaluations

The USDA Forest Service conducted field unit civil rights compliance reviews and implemented Senior Executive Service Performance evaluations. The reviewers found many positive examples of customer service and positive work environments, as well as the need for improvement in coordination and training. The USDA Forest Service published the Fiscal Year 2002 Information and Reporting Requirements report to USDA and the U.S. Department of Justice, delineating servicewide compliance reviews of federally assisted programs and program complaint resolutions that were accomplished.

The Washington Office Cooperative Forestry Staff evaluated program implementaiton in Region 6. The evaluation indicated that implementation of the FSP was very successful. No significant issues were uncovered.

Conclusions and Challenges

Overall, the USDA Forest Service continues to improve employee morale, decrease employment complaints, maintain a low number of program complaints, increase organizational capacity to perform at a higher level, and experience fewer retention problems. Decreasing national budgets continue to place pressure on field units and the headquarters to restructure the workforce and organization infrastructure.

To make the FSP more successful with minority landowners, the USDA Forest Service needs to have more reliable data on the racial and ethnic makeup of potential program participants. At this time, the agency is working to gather this information on current NIPF landowners. The data collection efforts now under way will not be complete for several years. In the meantime, the USDA Forest Service will continue to encourage State partners to reach out to underserved landowners and ensure they have fair and equal access.

Verification, Validation, and Limitations of Data Sources

The agency maintains and manages the USDA Forest Service Employee Complaint System, the Program Discrimination Complaints Database, and the Human Resources Management FOCUS Database, which allow assessments, actions, and improvement of situations as they arise. No significant data limitations were identified in these systems.

Data related to the FSP that was submitted by State counterparts has been reviewed and analyzed. While the data can serve as an indicator, it may not be entirely accurate. Although the agency prefers that States collect the data using a written form filled out voluntarily by the landowner, some States are determining race/ethnicity by the appearance of the participant, which can be inaccurate at times.

Strategic Objective 2e. Improve delivery of services to urban communities

Annual Performance Goals and Associated Measures:
(1) Improve the livability within urban areas by helping to ensure that urban trees, forests, and other green spaces are diverse, healthy, and lasting.

Measures:* Increased total number of communities participating in urban forestry programs at all levels of management (project, formative, developmental, and sustained). Increased percentage of communities participating at the developmental and sustained levels of management (with open space assessments, ordinances, and management plans).

* The original measure read "Percentage increase in green space in selected cities. Increased number of communities engaging in urban forestry practices that address air quality conditions. Increased percentage of communities with urban forestry and open space assessments, ordinances, and management plans." The agency never established a strategy to measure annual increases in green space in cities. The measures above are more appropriate to the goals of the Urban and Community Forestry (U&CF) Program.

Activity and Outputs	Data Source	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Revised Target	FY 2002 Actual
Address community and metropolitan area natural and environmental needs—Number of participating communities	PMAS [a]	10,514 [b]	10,547	11,021	10,500	11,686

a PMAS = Performance Measures Accountability System.
b FY 1999 actual accomplishment revised from figure published in FY 2000 performance report.

Overview

While research studies increasingly demonstrate that well-managed urban trees and forests contribute to improved air quality, since 1997 States have only reported the number of communities participating at any level of urban and community forestry programs. The higher the level of participation, the more likely that urban trees and forest resources contribute positive benefits for air quality, stormwater retention, urban cooling, and a myriad of other positive environmental, economic, and social benefits. Responsibility for these benefits is shared among many Federal, State, and local programs.

State and Private Forestry's (S&PF's) Urban and Community Forestry (U&CF) Program provides leadership in improving and expanding urban forest ecosystems. The U&CF Program assists local communities in recognizing the value of their urban trees and forests, building capacity to manage community forest resources, and supporting community vitality through public involvement, commitment, and action. Communities are encouraged in the strategic use of tree planting; urban forest management to help mitigate the effects of flood hazards and air, water, soil, and noise pollution; and the reduction of energy use and community beautification. These efforts also contribute social and economic benefits by creating community gathering places and recreation opportunities, increasing real estate values, and helping communities attract and retain businesses.

The U&CF Program leads communities to provide better stewardship of urban natural resources. The program offers expert advice, innovative technology, and financial assistance to ensure that there are healthy trees and forests where people live, work, and play. Metropolitan areas collectively support nearly one-quarter of the Nation's total tree canopy cover. Program funding contributes to community economic stability, natural beauty, public health, and quality of life. The U&CF staff works cooperatively with State foresters and other partners to effectively deliver the Federal program and develop urban and community forestry programs at the State and local levels. The program currently places emphasis on four areas: strengthening State and local capacity, helping to make cities more livable to help reduce urban sprawl, assessing the condition of urban natural resources, and strengthening applied research and technology transfer.

FY 2002 Performance

USDA Forest Service Research and Development (R&D), in cooperation with U&CF, has initiated a long-term strategy to assess tree cover in urban areas nationwide every 10 years. The first assessment, published in August 2000, established a 1992 baseline of 27 percent tree cover in urban areas nationwide. The second assessment, which will update these numbers for 2002 and provide the first indication of regional and nationwide trends, will not be completed for another 2 to 3 years.

Based on preliminary reports by the States, 11,686 communities participated in U&CF programs nationwide during FY 2002. This number is larger than the 10,500 anticipated, in part because additional Federal and State funding for financial and technical assistance in FY 2001 contributed to increased community involvement that carried over into 2002. This situation occurs when States receive Federal funds near the end of the Federal fiscal year and may not issue subgrants to communities until the following year. As a result, some States may not report accomplishments for a fiscal year until the following year. Between 1997 and 2002, the program experienced modest but steady increases in Federal funding that were reflected in accomplishments. Over these 5 years, the States reported that the number of participating

communities increased steadily from 27 percent to 43 percent of all eligible communities. USDA Forest Service and State-supported projects attracted 2.3 million hours of volunteer assistance in 2002, an increase of about 700,000 volunteer hours from the previous year, which greatly exceeded projections.

In 2002, Congress appropriated $1.5 million for the USDA Forest Service to "participate in developing living memorials using trees that will recognize the tragic losses that occurred on September 11, 2001, in New York City, the Pentagon area, and southwest Pennsylvania." By the first anniversary in September 2002, the U&CF "Living Memorials Project" had already awarded $933,300 in Federal grants ranging from $13,000 to $236,000 to establish publicly accessible memorial sites. In addition, grant recipients received technical support in the form of training, on-the-ground assistance, Web-accessible technical materials, and online mapping. In Virginia, the USDA Forest Service is working with the Virginia State forester and officials from the Pentagon, Arlington County, and American Forests to develop additional memorial sites.

The USDA Forest Service continued its partnership with more than 130 public and private organizations that have joined forces in Chicago Wilderness, an unprecedented alliance dedicated to protecting and restoring the region's natural heritage and to inspiring the region's residents to become active stewards. Since 1995, the U&CF program has helped Chicago Wilderness fund more than 170 urban forestry projects across the region, extending from northeastern Illinois into Wisconsin and Indiana. Projects under way in 2002 with USDA Forest Service support include two efforts: the Illinois Biodiversity Basics, a program aimed at increasing awareness and support among educators for the recovery of biodiversity in the region and the Metropolitan Natural Landscaping Initiative, which promotes the use of trees and other natural vegetation around corporate, institutional, and local government buildings.

Urban watershed stewardship activities around the country continued to receive U&CF support in FY 2002. Regions and State partners provided technical assistance and grants to communities and Native American Tribes to undertake collaborative efforts to manage, protect, restore, and maintain natural resources and watersheds in their communities. Some projects engaged underrepresented groups and youth organizations in community-based watershed restoration efforts. The program works with States to define and implement natural resources protection and restoration efforts within large urban areas, as well as to address issues of environmental justice and urban sprawl in project design and implementation.

One example is Revitalizing Baltimore, a regional partnership working to improve urban natural resources in and around Baltimore, MD. This national model for community forestry and watershed restoration equips city residents to care for natural resources, while employing these resources to revitalize their neighborhoods. Over the last 7 years, Revitalizing Baltimore has helped to green 45 urban neighborhoods by planting more than 3,560 street trees and 9,800 riparian trees and shrubs in over 500 projects involving more than 3,000 volunteers annually. The partnership also provided stewardship education to over 6,600 students and 500 adults. It actively reaches out to culturally diverse communities to help residents in a variety of urban forestry projects. Examples include planting trees along streets and streams, transforming vacant lots into community green space, improving neighborhood parks and schoolyards, monitoring streams and habitats, and fostering stewardship of natural resources through youth education and adult training.

In 2002, the USDA Forest Service conducted new Geographic Information System (GIS)-based urban ecosystem analyses for metropolitan areas in San Antonio, TX; Fayetteville, AR; San Juan, PR; New Orleans, LA; and Philadelphia, PA. More detailed GIS-based analyses were also completed for Atlanta, GA, and Roanoke, VA. The U&CF program continued to support development and delivery of GIS planning tools for integrated forest ecosystem analysis, such as the American Forests' CITYgreen™ analysis package and TreePeople's T.R.E.E.S. Project. These cost-benefit programs assist State and local governments in documenting the effectiveness of using green infrastructure approaches in improving planning and management in rapidly growing communities.

The U&CF Program completed a National Technology Transfer Strategy and Action Plan in FY 2002. As part of this process, the national team also completed the first phase of a market analysis to "identify barriers and/or obstacles from inadequate staffing and funding that prevent effective delivery of technology transfer research and information." This social/market research is designed to help those involved in urban and community forestry become more effective in disseminating technical knowledge and education information. The products from this project will include a market analysis summary that outlines the findings, presents "key messages" to overcome barriers, and provides a simple and direct strategy to motivate the target audience; a PowerPoint presentation for local government officials and leaders to highlight the importance of investing in green infrastructure and community forests; and a handbook that provides a step-by-step process for implementing the strategy and promoting investment in community trees.

Program Evaluations

The U&CF Program participated in a review of all Cooperative Forestry programs in Region 6. The purpose of the review was twofold: (1) to monitor and improve program management, delivery, coordination, and communication between the Washington Office and the Pacific Northwest Region; and (2) to ensure that the USDA Forest Service is providing high-quality service through all cooperative programs to State forestry and economic development organizations, the agency's National Forest System (NFS) and R&D deputy areas, nongovernment organizations, urban centers, communities, and private landowners.

The review found that all Cooperative Forestry programs provide the tools, approaches, and authorities needed to shift to seamless government within Region 6; the region is working across boundaries and the U&CF Program is a key element in making this shift successful; and Cooperative Forestry programs in the Pacific Northwest are being well managed and delivered.

Conclusions and Challenges

Over the past decade, since inception, the U&CF Program has shown exciting accomplishments and increasing public awareness and participation in State and local U&CF programs. Financial support to State and local programs has built a structural capacity leading to greater numbers of self-sustaining efforts. Every dollar of Federal funding leverages another 4 dollars invested by State and local public organizations in planting trees and maintaining the urban forest.

Even with these successes, the need is growing for greater scientific understanding and applied research into urban forest health, structure, and function within the landscape to better monitor and sustain the long-term benefits provided by these forests. As urban areas expand

ever more rapidly into less-developed rural areas, a growing percentage of the Nation's natural resources—including key national forests—will merge with urban forest ecosystems. For this reason, it is critical that we begin to look at and influence vital connections on the landscape. From declining inner-city neighborhoods to increasingly fragmented rural forests, a new emphasis on linking and managing the Nation's "green" infrastructure will enable the agency and the U&CF Program to work effectively across the landscape with other Federal, State, and local partners to contribute to and build more sustainable communities.

The USDA Forest Service will continue to track trends in participating communities, volunteer participation in U&CF programs, and sustainability of local programs. Various cities are using new tools, developed by USDA Forest Service R&D and other partners, to help assess urban forest benefits and functions (e.g., air pollution removal and carbon sequestration). With these tools, communities are improving management of urban forests to improve human health and environmental quality. The agency has also begun to assess urban tree canopy cover every 10 years. By 2006, the agency will complete the second assessment and report on trends in tree cover for urban areas nationwide.

One challenge to continuing the steady increase in numbers of participating communities and in the level of participation may come in FY 2003 with a reduction in capacity in State programs. Several factors converged during FY 2002, causing States to begin reducing U&CF technical and financial assistance to communities. These factors include the downturn in the national economy that seriously impacted State budgets, the mid-year borrowing of funds from U&CF and other agency accounts to help cover unexpectedly high wildfire suppression costs, and deferral of final FY 2003 appropriations until calendar year 2003, which further delayed U&CF grants to States.

Verification, Validation, and Limitations of Data Sources

During November 2002, U&CF coordinators in the States provided FY 2002 annual accomplishments on line using the Performance Management and Accountability System (PMAS), a Web-accessed database. Regional coordinators and Washington Office staff personnel reviewed the submitted data prior to acceptance. To the greatest extent possible, the information in this report was validated via e-mail, phone calls or Web-based reports.

Strategic Goal 3. Science and Technical Assistance

Strategic Objective 3a: Better assist in building the capacity of tribal governments, rural communities, and private landowners to adapt to economic, environmental, and social change related to natural resources.

Annual Performance Goals and Associated Measures:

(1) Professional management on non-Federal land through the Forest Stewardship Program (FSP) is increased to help balance policy changes on public lands.

Measure: Percentage of eligible lands with a current forest stewardship plan in place.

(2) Natural resource-based businesses, rural communities, tribal governments, and private landowners are able to integrate the sustainable use of natural resources into their local and regional development processes.

Measure: Number of rural communities with a broad-based strategic plan*

(3) Rural community strategic planning and USDA Forest Service land management planning are coordinated to identify, integrate, and achieve common goals.

Measure: Number of forest plans (scheduled for revision) with specific direction for integration planning and management activities with local/rural communities.

(4) Focused financial-assistance-to-States more effectively implements the Federal role in management, protection, and improved use of forests.

Measure: To be developed.

* Measure modified from "Percentage of rural communities..." to "Number of rural communities..." to be consistent with past measurements and agency actions.

Activity and Outputs	Data Source	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Revised Target	FY 2002 Actual
Provide State fire assistance to communities—Number assisted	NFPORS [a]	2,450 [b]	2,450 [b]	121	660	768
Provide assistance to volunteer fire departments—Number assisted	NFPORS	– [b]	– [b]	871	2,522	1,134

Activity and Outputs	Data Source	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Revised Target	FY 2002 Actual
Assist natural resource-dependent rural communities and businesses—Number of communities working under broad-based local strategic plans	PMT [c]	740	928	959	960	970
Assist Pacific Northwest (PNW) natural resource-dependent rural communities and businesses—Number of PNW communities working under broad-based local strategic plans	PMT	248	219	231	329	240
National Fire Plan—Cooperative fire protection, State fire assistance to communities	NFPORS	N/A	N/A	1,070	1,928	1,795
National Fire Plan—Cooperative fire protection, cooperative fire assistance to volunteer fire departments	NFPORS	N/A	N/A	1,001	4,120	2,647
National Fire Plan—Cooperative Forestry, Economic Action Program—Assist natural resource-dependent rural communities and businesses	NFPORS	NR [d]	NR	– [e]	NR	222

a NFPORS = National Fire Plan Operations and Reporting System.

b The combined accomplishment for both communities assisted and volunteer fire departments assisted is 2,450. In fiscal years (FY) 1999 and FY 2000, the two programs had combined accomplishments not separable by program. An error in tracking in FY 2000 led to underreporting for the number of communities/volunteer fire departments assisted. These numbers have been revised upward from the 2000 Annual Performance Report.

c PMT = Performance Management Tool.

d NR = Not reported or not required.

e Funding is for technical and financial assistance to communities to help them recover from the effects of wildland fires. Projected outputs for these funds were not estimated in advance. Accomplishments were not reported in 2001.

Overview

The USDA Forest Service provides financial, scientific, and technical support to States, tribal governments, rural communities and businesses, and private landowners in support of local economies and to provide protection from wildland fires.

Through the State Fire Assistance (SFA) and Volunteer Fire Assistance (VFA) programs, the USDA Forest Service provides financial and technical assistance to help States, territories, and communities implement fire preparedness and wildland fire mitigation activities. These activities increase their ability to protect the natural resources and property that small communities rely on for their economic livelihood. See also a discussion of fire assistance programs under strategic objective 1c.

The USDA Forest Service uses the Economic Action Programs (EAPs), such as Pacific Northwest Assistance and others, to build working relationships with rural communities and provide them with technical and financial assistance. USDA Forest Service employees across the country work with local elected officials, grassroots community organizations, community forestry practitioners, and a multitude of other partners in a wide variety of community-based activities. Partnerships are formed to strengthen, diversify, and expand local economies; build local capacity to develop, implement, and monitor community strategic plans; integrate natural resource stewardship with opportunities to expand and create jobs and locally owned businesses; develop new products and markets for ecosystem restoration byproducts; improve transportation networks; and increase access to technology.

In FY 2002, EAP authorities, networks, and partnerships of the EAPs were also used by the National Fire Plan (NFP) to help rural communities and organizations seek market-based opportunities for natural resource businesses and services. Through the additional financial resources of the NFP, the agency uses EAPs to build local capacity in areas at risk from wildfires due to concentrations of high-hazard fuels. Additional discussion of EAPs can be found under strategic objective 2c.

The 9.9 million non-industrial private forest (NIPF) landowners in the United States control 48 percent of the Nation's forests, but only about 7 percent of these lands are covered by written forest management plans. Stewardship management plans and multiresource practices on these non-Federal forest lands help enhance forest and rangeland health across the entire landscape. See also a discussion of the Forest Stewardship Program (FSP) under strategic objectives 2c and 2d.

FY 2002 Performance

States and territories receive State Fire Assistance grants to address wildfire hazards in the wildland-urban interface through fuels reduction, community projects, prevention, creation of defensible space around property, and FIREWISE education campaigns. In 2002, the Cooperative Fire Assistance Program provided SFA grants to 46 States and 4 territories. Four States, two territories, and the District of Columbia did not receive cooperative fire assistance because they were not able to submit their grant applications before the transfer of funds to cover extraordinary fire suppression costs in 2002. Some States that did receive grants did not receive the full funding anticipated when targets were established. Shortfalls in meeting targets are attributable primarily to the lack of program contributions from these States. Grants issued allowed the States, territories, and rural communities to increase their capacity to fight wildland fire. The program supplied additional firefighting equipment, safety gear, communi-

cations equipment, and training for both volunteer and governmental firefighters. FY 2002 was the second year for specific funding to address significant hazard mitigation needs across the Nation.

VFA grants were awarded to 43 States in FY 2002. Seven States did not receive VFA assistance because they were not able to submit grant applications before funding was stopped when funds were transferred to cover the enormous fire suppression costs during FY 2002. Some States that did receive grants did not receive full funding anticipated when targets were established. As with the SFA program, a shortfall in meeting the target is attributable in part to the lack of program contributions from these States. In addition, due to priorities in some States, the average grant size to communities went up, with the result that fewer departments may be assisted than anticipated. Grants enabled rural fire services to increase their capacity to fight wildland fire and associated community protection in the wildland urban interface. Special emphasis has been on training and personal protective equipment for volunteer wildland firefighters. The new National Fire Plan Operations and Reporting System (NFPORS) database has improved our ability to track VFA target accomplishments and NFP goal progress. The data produced is considered reasonably sound and supportable. Expectations are that future data collection and reporting will improve as the NFPORS database is adjusted in FY 2003 to collect more complete data.

Forest stewardship plans were written for 18,102 ownerships covering over 1.64 million acres of NIPF forest lands in FY 2002. This brings the total number of acres under forest stewardship plans to just under 25 million and the total number of plans to about 217,000. The FY 2002 target of 1,407,800 acres was exceeded by more than 131,000 acres.

The USDA Forest Service exceeded its goal for number of rural communities working under broad-based local strategic plans. In addition to those communities with completed plans, more than 200 other communities are working on new plans. With the continued emphasis on implementing the NFP and the transfer of program funds to help cover firefighting costs of FY 2002, regional and local coordinators of EAPs spent only limited time and other resources to help rural communities develop new or revise old local strategic plans. NFP-EAP funding was used, however, to assist over 222 rural communities in integrating wildfire protection and prevention and hazardous fuels management into new or existing local strategic action plans, an increase of 41 over FY 2001. Rural communities use these plans to develop the capacity for collaborative resource management and sustainable development projects.

In FY 2002, with not all regions reporting final totals, over 1,300 rural communities and organizations received direct technical or financial assistance via the EAPs (including both regular core program and NFP-funded assistance). The total number receiving assistance is greater than in FY 2001 due to the heightened focus on communities at risk from wildfires. Even though funding was transferred to cover firefighting costs, communities receiving assistance included 325 underserved rural communities, 91 tribal communities, and 102 communities of other minority groups.

Through base EAP and NFP-EAP funds, rural communities and organizations implemented over 820 projects, including activities aimed at maintaining or expanding local businesses. A substantial number of projects were not initiated due to the redirection of funds for firefighting.

During FY 2002, the new PMT database was used, evaluated, and revised for management of the EAPs. This tool is critical to the full implementation of the USDA Forest Service's National Strategic Plan for Economic Action Programs: *Working Together for Rural America: 2000 and Beyond – Integrating Natural Resource Management and Rural Community Assistance*. Although this new tool is helping with certain aspects of monitoring and evaluation, only small advances were made in FY 2002 to build the capacity in rural communities to measure and evaluate their own progress toward their strategic goals. This remains a key emphasis area for future efforts.

The Forest Products Laboratory (FPL) is conducting research on various applications that may open up new markets for material that can help offset the costs of hazardous fuel reduction. Such applications could be used by rural communities in economic development efforts. For example, FPL is developing new uses for small-diameter and low-valued trees. Water filters made from material removed from forests during thinning operations are used to clean up mine waste. New drying techniques for ponderosa pine are eliminating crook and twist prevalent in small diameter trees. Forest residues are combined with plastic to produce a multitude of niche products, such as roofing, highway signs, and specialty products. Small roundwood logs, 4 to 6 inches in diameter, are being used as trusses and I-beams. Electricity and heat are being produced from forest residues and material from thinning operations, using small-scale modular wood gasification systems.

Program Evaluations

Joint fire and aviation reviews scheduled in Region 2 and Region 6 in FY 2002 included the SFA and VFA programs. These reviews were postponed due to the severe fire seasons both regions experienced. These reviews have been rescheduled for the spring of FY 2003. Regions conducted reviews of State programs.

The Washington Office Cooperative Forestry Staff undertook an evaluation of the implementation of all FSP components in Region 6. The evaluation indicated that implementation of the FSP was very successful. No significant issues were uncovered.

Due to the need to emphasize the EAP component of the NFP under tight budget and time constraints, EAP managers did not conduct any national or regional program reviews devoted solely to EAPs in FY 2002. EAP managers, however, participated in a Cooperative Forestry Program review in the Pacific Northwest Region.

Conclusions and Challenges

A common finding is that States are having difficulty implementing their programs. State budgets are strained and they have very limited ability to increase staffing commensurate with the level of activity being generated by the NFP incentives. Nevertheless, partnering and collaboration are helping all agencies to work more effectively to deliver these programs. FY 2002 was the second year of increased emphasis on assistance to communities in the wildland-urban interface. There is a visible increase in the public interest in the wildland fuel and interface issues. Communities and landowners seem to be more engaged in the issue than ever before. The challenge for the State foresters and the Federal agencies is to work closely together to avoid complicated and confusing delivery of assistance programs. Also, regions and States learned from the difficulties posed by the FY 2002 borrowing strategy to cover fire suppression costs that it will be important for States to have grant request packages submitted early in FY 2003 to ensure grant funding.

The FSP continues to be successful. Landowner enrollment has remained constant since program inception. A study of FSP participants conducted in FY 2000 indicated that landowners were highly satisfied with their plans and that a high percentage would recommend the program to others. An analysis of plans conducted that same year indicated that plan writers were not always adequately addressing nontimber values to the extent required by statute. This issue has been addressed by the production and distribution of a desk guide to writing forest stewardship plans and by the creation of a Web site designed to provide landowners and plan writers with information on forest management for timber and nontimber values.

Implementation of the early stages of the NFP-EAPs has once again shown that where partnerships have developed, where community capacity is in place, and where problems (such as wildfire risks) and opportunities (such as small-diameter roundwood products) are more clearly defined, rural communities and their supporting organizations are able to successfully compete for resources to revise, update, or implement their strategic plans. Those communities without local strategic plans were much less ready to engage in NFP implementation and were more likely to need community-organizing, training, and other basic assistance before they could seek market-based opportunities associated with hazardous fuels reduction on public lands.

Regional reviews of State programs revealed no significant shortfalls or failures. State actions under grants were being delivered in accordance with grant objectives. State priorities are focused appropriately on wildland-urban interface issues and protection of threatened communities. There are many documented successes that demonstrate the effectiveness of Federal grants to States for community protection and interagency collaboration. In nearly all cases, State foresters expressed a concern that their ability to deliver program increases is severely limited by staffing shortages.

Time is needed to create a common community vision and a set of goals that include natural resource and other concerns, such as time to build trust and learn how to become involved in programs and processes. Long-term USDA Forest Service commitment of adequate staffing and financial resources is essential to helping rural communities move from dependency to resiliency. Community leaders look to the EAPs to leverage much more than dollars even though financial resources are essential to managing the changes they face. The availability of agency resources is problematic as budgets fluctuate and staffing is redirected to other priorities.

Verification, Validation, and Limitations of Data Sources

The implementation of the NFPORS database was not completed until late in the year so there was some difficulty in meeting reporting timeframes. The database provides a good foundation of information; however, several shortcomings have been identified. Followup with several regions was necessary to verify and validate data. Measurement of "communities assisted" remains difficult as there are so many ways to define a "community." Also, there are many types of assistance that may be provided to a community. Identifying actual numbers of communities assisted as opposed to "assists to communities" remains a challenge. Adjustments to the database and development of better definitions, direction, and training will strengthen reporting and verification in the future.

FSP data entered by each State has been closely scrutinized. In cases where there was a marked difference in data entry compared with FY 2001 data, the State has been contacted to ensure that the numbers are accurate.

For FY 2002, the data source for EAP is a new PMT database, which is being used by program managers and field coordinators to assist rural communities and organizations. At the time of this report, all regions had not completed their data entry, with particular data entry shortfalls associated with incomplete grant award processes for the regular EAPs and NFP-EAPs. During FY 2002, the database was significantly revised; program managers in the national headquarters continue to upgrade the database structure and evaluate the quality and consistency of data entry and the reporting system. Regional program managers monitor available data for completeness and accuracy. Although data quantity is adequate for assessing the progress made in FY 2002, additional modifications and enhancements will be made to further improve the consistency and reliability for FY 2003 data entry and reporting. More design work is needed to take advantage of the full potential of the database to assist communities and the agency in describing and measuring progress toward long-term goals.

Strategic Objective 3b. Increase the effectiveness of scientific and technical assistance delivered to domestic and international interests.

Annual Performance Goals and Associated Measures:

(1) USDA Forest Service conservation education materials support agency mission/programs and enhance the public's understanding.

Measure: Percent of customer (educators) satisfaction with materials.

(2) Current and accurate information is delivered using a variety of media including Web-based technology, and is available to other agencies, partners, and the public to support analysis and decisionmaking.

Measure: Percent of user satisfaction with usefulness of information and technology provided.

(3) Management of overseas habitats for U.S.-based migratory species is effectively supported.

Measure: Percent increase in overseas habitats of selected U.S.-based migratory species.

(4) Advanced technology is developed for construction of durable and affordable housing.

Measure: To be determined.

(5) Provide technical assistance to support the management of selected protected areas in other countries.

Measure: To be determined.

(6) Environmental performance in pulp and paper processing is improved through research.

Measure: To be determined.

Overview

The USDA Forest Service provides a wide range of scientific and technical assistance to numerous entities such as local, tribal, State, Federal, and foreign governments; nongovernmental organizations and partnerships; forest landowners; and the general public. Although virtually all functions and levels of the agency provide some form of assistance to one or more external entities, scientific and technical assistance is delivered to domestic and international interests mainly through Research and Development (R&D), Conservation Education, and International Programs (IP). The assistance and products provided by these staffs contribute considerably to maintaining and improving the health and productivity of forest, rangeland, and aquatic ecosystems from the local to the global level. Through these efforts, land managers in all 50 States, U.S. territories, and throughout the world benefit from improved management alternatives.

Conservation Education strives to educate people to take informed actions to sustain natural and cultural resources. This requires an integrated and coordinated program that addresses current issues and concerns that face the public, as well as long-term environmental and resource management concepts.

Efforts to support migratory species are spearheaded by IP. Through habitat improvement work, migratory species conservation partnerships, and strengthening conservation capacity in countries where migratory bird species live, IP strives to ensure the viability of more that 80 migratory species. Through these partnerships, USDA Forest Service funds have been leveraged. With a relatively small investment of expertise from IP, the agency has worked with foreign and domestic partners to enhance habitats and populations of migratory species. In the case of some bird species, such as the endangered Kirtland's warbler, International Programs work outside the United States is invaluable in preserving the species.

FY 2002 Performance

The level of customer satisfaction with materials produced by Conservation Education was measured by a national USDA Forest Service Customer Service Survey conducted from March through June 2002. Customer service surveys were conducted at the national level and in five geographic regions from March to June of 2002 to assess customer satisfaction with the delivery of the Conservation Education program. Individual surveys were combined for a national report of customer satisfaction with Conservation Education. In that survey, customers reported a high level of satisfaction with the content of USDA Forest Service-produced conservation education materials. Customers expressed a high level of satisfaction that these materials are based on scientific findings and support current agency direction.

USDA Forest Serivce R&D produced 8,831 research products, tools, and technologies that were transferred to users. A simple tabulation of the numbers of research products, however, clearly was not sufficient to convey the breadth and depth of the R&D program. Several accomplishments are highlighted in the following paragraphs, while others are featured throughout this annual report to demonstrate how scientific knowledge and research products contribute to resource sustainability.

Forest Products Laboratory (FPL) scientists have constructed a research/demonstration house on the grounds of FPL that serves as a research laboratory and a forum for information transfer to builders and the public. Some of the research focuses on moisture-related durability issues, including mold growth and biodeterioration. Other research is addressing the increased

use of recycled materials, structural composites and engineered wood products from underutilized species, improved natural disaster performance, and increased energy efficiency.

FPL has been a national leader in evaluating properties of deconstructed lumber, developing a grade stamp for lumber reuse in engineered applications, and wood recycling. The Environmental Protection Agency estimates that 245,000 buildings are demolished in the United States each year, involving more than a billion board feet of lumber. Reusing lumber and fiber from building demolition is an increasingly popular means of extending the forest resource and reducing material in landfills.

FPL scientists have also developed a new filter for removing pollutants from water. The current focus of this research is to develop filtration systems for sources of water pollution such as agricultural or urban storm water runoff and acid mine drainage. The benefits of this research to the American public are twofold. First, this research directly contributes to the development of low-cost technologies for protecting the quality of water resources. Second, ecosystem health is enhanced through the development of new technologies for converting low-value forest residues into higher-value products such as water filters and related products.

Scientists from FPL have developed the ability to produce ethanol using biomass materials. Biomass includes woody materials and agricultural wastes such as corn hulls and corn cobs. This is an important advancement for the biomass conversion industry, and it is especially significant for the production of renewable fuels from agricultural and woody residues. When this technology is fully implemented, farmers and woodlot owners will be able to sell agricultural and small-diameter, low-grade hardwood residues; the timber industry could recover additional value from processing wastes; and the grain processing industry could increase ethanol production from grain hulls.

Similarly, FPL scientists are providing important advances in paper science and technology. Improved, lightweight, high-opacity printing papers are the result of technologies such as biopulping, microwave pretreatment for thermomechanical pulping, oxalic acid pulping, and fiber loading with simultaneous alkaline peroxide bleaching.

In 1999, the Southern Research Station developed a database system to organize and distribute delivery of USDA Forest Service research publications via the Internet. Since that time, several modifications and enhancements have improved online delivery of publications. Last spring the database was expanded to include records from other stations and laboratories. The public has benefited from this fast, effective mechanism for delivery of research products; the database currently receives 2,000-3,000 requests per day and is fully indexed by major search engines.

The Forest Inventory and Analysis (FIA) Program developed software that allows users to create customized maps on forest and rangelands based on their own criteria. The Web page for accessing this FIA Mapmaker software was one of the most popular on the North Central Research Station Web site. The support provided by this program included the first release of annualized inventory data, a feature long requested by State foresters.

International Programs led and supported 13 field projects in fiscal year (FY) 2002 that increased habitat capability outside the United States for migratory bird species. Projects were selected based on species or habitats that are of greatest concern to American conservationists or are of importance to indigenous cultures in North America. Support to these projects included technical conservation training for key people in host nations.

Program Evaluations

Conservation Education customer service surveys were conducted at the national level and in five geographic regions from March to June of 2002 to assess customer satisfaction with program delivery. The regions surveyed were Alaska, the Intermountain West, the Northeast, the Pacific West, and the South. The national survey was on the National Symbols (Smokey and Woodsy) Program. These individual surveys were also combined for a national report of customer satisfaction with Conservation Education. The highest overall customer satisfaction levels were reported in the South, Alaska, and Intermountain West areas. The national survey report identified high customer satisfaction with the content of agency-produced education materials. Customers expressed a high level of satisfaction that these materials are based on scientific findings, are presented in a user-friendly format, meet educational standards required by their organization, and support current agency direction.

Within R&D, the six regional research stations, the FPL, and the International Institute of Tropical Forestry annually evaluate needs at the various levels, assign priorities, and request funding. Their requests are carefully reviewed and coordinated with needs identified as critical at the national level and then merged into a National Research Program. The base R&D program, however, is assembled from individual field submissions.

Customer, research user, and peer comments are considered and critically reviewed when identifying research needs at regional levels. Valuable guidance in shaping the R&D program is provided in this process. For example, as R&D began reaching out to underserved communities, a need to expand our social science research effort was identified. Many minorities do not know about national forests; others, because of perceived barriers, do not use them. R&D believes this is a subject worthy of special emphasis.

No evaluations were conducted in FY 2002 on International Programs.

Conclusions and Challenges

By surveying customers nationwide, the Conservation Education Staff has determined that there is a high level of satisfaction with the content of its materials, but there is also room to improve the delivery of those materials and related educational services to educators, youth leaders, and other members of the public. Notification of the availability of materials and services and the actual distribution of those materials need to be improved and expanded to satisfy the current demands. The USDA Forest Service will continue to emphasize cooperation with other education partners, such as other agencies, nonprofit educational institutions, and State and private organizations to effectively and efficiently address this public need.

The most direct means for obtaining the percent of customer satisfaction is through a survey of customers as was done in FY 2002. It is not practical, however, to survey our customers annually. Future measurement of this annual performance goal, for those years when a survey is not conducted, should be the percent of materials developed and used during the year that support public understanding of priority natural resource program issues or objectives as identified by USDA Forest Service leadership.

In a science agenda for the next fiscal year, the Administration presented research and development opportunities that are intended to continue global leadership in science and technology. The science agenda includes existing and emerging research and development priorities that require significant levels of coordination and planning. The priority-setting and coordination process reflects the Administration's objectives of maintaining excellence and maximizing the efficient and effective use of the Nation's resources.

The multitude of opportunities requires wise selection of which programs to launch, encourage, and enhance, and which to reevaluate, modify, or redirect in keeping with national needs and capabilities. For example, the area of science for sustainability seeks to increase our understanding of complex systems and addresses challenges to global sustainability in areas such as energy, environmental protection, food and water, and health.

As directed by the President's Management Agenda, R&D program management and effectiveness will be improved through the application of explicit investment criteria. The criteria will help improve program management and funding decisions, which will ultimately increase public understanding of the possible benefits and effectiveness of Federal investments in research and development. Satisfying the research and development performance criteria for a given program should serve to set and evaluate performance goals for purposes of the Government Performance and Results Act.

International partnerships continue to be valuable in protection efforts for migratory species and their habitats. Up to 40 percent of migrating waterfowl depend on the boreal forests of North America, but habitat is steadily disappearing due to oil and gas development, agriculture, some forest management practices, and other activities. The agency must develop additional partnerships with other Federal agencies, State and local governments, and private corporations and organizations to mitigate the impacts of development on migratory species. International partnerships are important as well. One example is the Copper River International Migratory Bird Initiative, which is working to conserve millions of migratory birds that depend on the Copper River Delta and other feeding and breeding sites along the Pacific Coast from Alaska to as far south as South America. Some examples of Copper River Delta species are the Western Sandpiper, Dusky Canada Goose, and Trumpeter Swan.

Verification, Validation, and Limitations of Data Sources

The Conservation Education customer service survey was conducted through a nationally recognized survey firm. The maximum sampling error for this survey is plus or minus 3.1 percent at the 90 percent confidence level.

The complex and unstructured processes found in the research and development arena are less easily quantified. In the physical sciences, measurement such as length, temperature, and mass may be measured using single standard units—the adequacy of each measurement depends on the qualities of the instrument, but the standards are well defined and widely accepted. In contrast, the creative aspects of research and development make direct measurement impossible. The dilemma is balancing objectivity with the subjective selection and interpretation of measurement indicators, recognizing the cognitive and social structure of science. Three dimensions of research and development—concept generation, product development, and leadership—are distinct phenomena with unique characteristics within the innovative process of research. These dimensions are not amenable to forced correlations and patterns, which can result in comparing apples and oranges, so to speak.

Alternatively, indicators may be used for certain aspects. The degree to which such indicators "measure" research and development performance depends on their accuracy, their quantity, and whether any one indicator may be aggregated with others for indexing. Empirically, this means one measure will be inherently insufficient to capture all the information required.

The current single measure of R&D performance—number of products, technologies, and tools produced—has a reasonably high bias for accuracy, precision, and repeatability, but has variable tolerance and sensitivity. A more plausible approach would be to use a set of performance measures that can be linked to outputs. A systematic design and understanding of the process by which R&D impacts agency performance, and to which the agency remains committed to working with users and the scientific community, will allow us to identify and define meaningful performance measures for the future.

Historically, no data has been collected on migratory species work; therefore, no validation is done by International Programs.

Strategic Objective 3c. Improve the knowledge base provided through research, inventory, and monitoring to enhance scientific understanding of ecosystems, including humans, to support decisionmaking and sustainable management of the Nation's forests and grasslands.

Annual Performance Goals and Associated Measures:

(1) The internationally agreed-to Montreal criteria indicators are used as the principal reference for measuring large-scale sustainability.

Measure: Percent of forest plans annual monitoring reports and large-scale assessments incorporating framework based on the Montreal criteria and indicators.

(2) Research is responsive to the needs of public and private land managers and other customers.

Measure: Customer satisfaction ratings with research projects and studies.

(3) Research and Development (R&D)—produced knowledge enhances understanding and management of forest and grassland ecosystems.

Measure: The scientists, the scientific processes, and the results and products of R&D are found to be of high quality through peer review processes.

(4) Inventory programs provide current and accurate data on the status of social, economic, and natural resource conditions and trends needed to support decisionmaking.

Measure: Percent of National Forest System (NFS) units with inventory data and information addressing goal statement that is less than 10 years old.

(5) Monitoring programs provide current data and information on the ability of current management direction and policy to maintain social, economic, and ecological sustainability.

Measure: Percent of monitoring and evaluation reports prepared and incorporated into land and resource management plans (LRMPs). Percent of activities with monitoring and administration in place.

(6) Research work unit descriptions (RWUDs) and problem and program charters are responsive to the needs of public and private land managers and other customers and stakeholders.

Measure: Customer satisfaction with RWUD and problems and program charters.

Activity and Outputs	Data Source	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Revised Target	FY 2002 Actual
Create/revise forest plans—Number of plans created/revised [a]	MAR [b]	11	5	8	7	6
Maintain forest plans—Number of plans corrected/amended	MAR	NR [c]	15	82	91	198
Conduct assessments —Number of assessments completed	MAR	169 [d]	130 [d]	154	142	134
Conduct above-project level inventories—Millions of acres of above-project level inventory completed**	MAR	63.8 [d]	58.7 [d]	124	NR	30.4
Conduct research—Number of research products, tools, and technologies	RBAIS[e]	NR	NR	NR	NR	8,429
Conduct research on vegetation management and protection—Number of research products, tools, and technologies [f]	RBAIS	NR	3,359	2,966	NR	NR
Conduct research on wildlife, fish, water, and air—Number of research products, tools, and technologies [f]	RBAIS	NR	1,680	1,426	NR	NR
Conduct research on resource valuation and use—Number of research products, tools, and technologies [f]	RBAIS	NR	1,478	1,084	NR	NR
Collect, analyze, and publish forest resource inventory and monitoring data—Number of research products, tools, and technologies [f]	RBAIS	NR	202	228	NR	NR

Activity and Outputs	Data Source	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Revised Target	FY 2002 Actual
Forest Inventory and Analysis—Percent of forest lands covered by the annual FIA program [g]	Program Staff	NR	42	65	73	73
Forest Inventory and Analysis—Number of research products, tools, and technologies	Program Staff	NR	NR	NR	NR	402
Protect Federal lands from insects, diseases, and exotic plants—Forest health protected on Federal lands (thousand acres)	Program Staff	NR	NR	NR	1,000	302
Protect cooperative lands from insects, diseases, and exotic plants—Forest health protected on cooperative lands (thousand acres)	Program Staff	NR	562	417	700	950
Collect, analyze, and publish forest resources inventory and monitoring (SPIA budget item) [h]	Program Staff	NA	NA	7%	7%	NR
National Fire Plan—Forest health management on Federal and cooperative lands—Forest health protected on Federal and cooperative lands (thousand acres)	Program Staff	---	---	– [i]	NR	423
National Fire Plan—Vegetation management and protection research—Number of research products, tools, and technologies developed	Program Staff	---	---	63	500	783

a In prior years, forest plans output measures traced the number of plans currently under review. This output has been modified to count only the number of plans completed in the current fiscal year.

b MAR = Management Attainment Reporting database.

c NR = Not reported or not required.

d A change in how these measures are calculated occurred during FY 2001. The change corrects data provided in the FY 2000 Annual Performance Plan to reflect the new definition.

e RBAIS = Research Budget Attainment Information System.

f These activities have been combined into one activity—"Conduct Research—number of research products, tools, and technologies for FY 2002". The output for all activities is displayed in that activity in FY 2002.

g Data will no longer be collected on a percentage basis. New output will track number of products, tools, and technologies produced. See output listed immediately below this output.

h SPIA funds are combined with R&D funds and NFS funds to support the implementation of the FIA program. There is no measure that pertains solely to SPIA; these accomplishments are reflected in the FIA performance measure.

i Funding is for technical assistance to manage and control invasive insects and diseases and to evaluate forest/tree health after wildland fire. Outputs for these funds is not directly related to established outputs.

Overview

Research, inventory, and monitoring are valuable tools used by the USDA Forest Service to enhance the scientific understanding of ecosystems to support decisionmaking and sustainable management of the Nation's forests and grasslands. Responsibility for gathering and analyzing the information gathered lies within the programs of Research and Development (R&D), National Forest System (NFS), and State and Private Forestry (S&PF).

The mission of R&D is to develop, demonstrate, and disseminate scientific information and technologies to protect, manage, and use in a sustainable manner those renewable resources in rural, suburban, and urban areas. The knowledge and research products provided by R&D scientists contribute considerably to maintaining and improving the health and productivity of forest, rangeland, and aquatic ecosystems, as well as to providing important information for USDA Forest Service policies and programs.

On NFS lands, integrated inventories meet multiple information needs for national forests and grasslands achieved by collecting data on the status or conditions of resources, including vegetative and physical characteristics as well as human dimensions. Inventories occur at multiple scales and are, or will be, conducted to national standards.

Assessments also occur at multiple scales and provide information relevant to a broad range of resource management issues. Broad-scale assessments are used to evaluate ecosystem composition, structure, and processes and evaluate indexes of ecological, social, and economic sustainability. Watershed assessments provide the contextual information necessary to focus and prioritize restoration and management. Findings associated with assessments are used to identify topics of general interest or concern to be addressed in land and resource management plans (LRMPs).

LRMPs guide management decisions for all national forests, grasslands, prairies, and the Land Between The Lakes. Plans develop long-term strategies while recognizing the need to make short-term decisions and provide a framework for making future site-specific project decisions. Plans are dependent on data and information collected by inventories and assessments of specific resource issues, conditions, and trends. The development or revision of LRMPs is a multiyear process.

The Forest Health Management Program provides for the detection, monitoring, evaluation, prevention, and suppression of forest insects, diseases, and invasive plants on forests and rangelands managed by the NFS, other Federal agencies, States, territories, and tribal governments. With the exception of invasive plants, Forest Health Management also provides the same activities on NFS lands. Forest health management specialists evaluate risk for resource damage and determine prevention, suppression, and maintenance treatments based on results of the risk evaluation. Aerial and ground surveys are conducted for insects and diseases in areas of risk. The program includes development of technologies to improve efficiency and effectiveness of management of forest pests. The activities of the program enhance forest and rangeland health by protecting wildland-urban interface areas, water resources, critical wildlife habitats, and recreational opportunities. See also the discussion of Forest Health Management under strategic objective 1c.

With a wide-ranging and inclusive knowledge base derived from these research, inventory, and monitoring tools, land managers throughout the United States and its territories are afforded improved management alternatives that cover both public and private lands.

FY 2002 Performance

Much was accomplished by R&D, NFS, and S&PF in fiscal year (FY) 2002. The accomplishments of each are delineated below.

Research & Development

During FY 2002, R&D produced 8,831 research products, tools, and technologies that were transferred to users. A simple tabulation of the numbers of research products, however, clearly was not sufficient to convey the breadth and depth of the R&D program. Several accomplishments are highlighted in the following paragraphs, while others are featured throughout this annual report to demonstrate how scientific knowledge and research products contribute to resource sustainability.

R&D sponsored the Forest Science Summit, which brought representatives from Federal agencies, State foresters, nongovernmental organizations, universities, and environmental groups to respond to the National Research Council's *Report on National Capacity in Forest Research*. One component of this report is improvement of research services to underserved customers and communities. Strategies and actions have been developed and are being implemented to address concerns raised in the report.

The *Southern Forest Resource Assessment*, a 3-year study that examined the history, status, and likely future of southern forests, was released this year and will be featured in a special issue of the *Journal of Forestry*. The citizen-centered process used in the development of the assessment was a model for engaging the public in the research arena, and assured that the results addressed the concerns of the citizens. The results have clearly affected the public dialog about southern forests, and are being used to develop and direct future programs and activities.

R&D conducted the first national survey to determine the value of the urban tree resource in the United States and calculated it to be about $2.5 trillion. City managers, planners, and private corporations use this information to determine the potential risk of loss to the resource due to various events such as fire, insect outbreaks, and others that damage or destroy urban trees.

An urban tree resource study of the urban forest of South Lake Tahoe by the Center for Urban Forest Research in Davis, CA, revealed the need for more active participation of homeowners to mitigate existing fire hazards. A press release was issued locally to advise homeowners of the findings and to stress that community involvement is absolutely necessary for effective fire hazard mitigation, especially in neighborhoods with predominantly small lots.

North Central Research Station scientists developed a new instrument to detect trees infested with Asian longhorned beetles. They also initiated a bilateral research program with China to understand this exotic pest. This invention will help find outbreaks of this pest more rapidly than current inspection techniques allow. The Animal and Plant Health Inspection Service (APHIS) used the new device in New York's Central Park, saving most trees in this historic location from destruction.

Responding to demands for riparian forest buffer information, the Rocky Mountain Research Station published an article that provided the first summary and synthesis of the peer-reviewed scientific literature on buffer performance in mitigating water quality problems. Policymakers and land managers are increasingly calling for a clear estimate of how much reduction in nonpoint source pollution can be achieved by buffer installation programs on private lands. A major conclusion from this summary was that expectations for program success are currently not well founded in the research literature.

Scientists are improving models of natural stand development in the Douglas-fir-western hemlock forests where they occur on public and private lands of the Pacific Northwest. The improved models incorporate new knowledge about disturbance regimes and their biological legacies, such as live trees, snags, and logs; the complexity of stand structures and forest development; and the development of later stages in long-lived forests.

Technology transfer and conservation education receive greater emphasis each year from R&D. During FY 2002, almost 25,000 copies of the *Natural Inquirer*, a science education journal for middle school and early high school students, were distributed worldwide. Of these, over 600 copies were in Spanish. The supporting Web site provides widespread access to R&D information.

Also, through electronic means, R&D has provided vastly improved ways for internal and external customers to be better served, including ease of access to scientific publications, program opportunities, employment, and financial assistance. This has also helped meet the Paperwork Reduction Act and Government Paperwork Elimination Act requirements.

R&D also continued to demonstrate this strong customer-driven approach through the Forest Inventory and Analysis (FIA) Program. FIA is the Nation's forest census, reporting annually on status and trends in the Nation's forested resources. FIA is a collaborative effort funded by R&D, S&PF/Forest Resource Inventory and Analysis, S&PF/Forest Health Protection (FHP), and NFS/Inventory and Monitoring, plus many State forestry agencies. In FY 2002, the FIA program expanded coverage from 65 percent to 73 percent of the Nation's forested lands by adding Colorado, New Hampshire, New York, and Washington to the program, bringing us closer to our goal of 100 percent implementation by FY 2003. More details are available in the FY 2002 FIA Annual Business Report, available on the Internet at fia.fs.fed.us.

In an effort to increase service provided to underserved populations, R&D has implemented new forest inventory methods tailored to urban areas and tropical forests. The new methods for urban forests were pilot-tested in FY 2002. The International Institute of Tropical Forestry (IITF) collaborated with the Commonwealth of Puerto Rico to inventory all of the island's forests. This will be the first-ever inventory to include urban forests of the island.

National Forest System

The USDA Forest Service completed five LRMP revisions and one new plan in FY 2002. In FY 2003, the agency will continue to revise its planning rule to improve the revision process and the quality of resulting plans. These regulations are designed to take advantage of lessons learned over the past 20 years of forest planning. Setting forth a process that makes sustainability the foundation of planning and decisionmaking, the new rule will engage the public in defining the future of NFS lands and create plans with a sound scientific basis.

A total of 134 LRMP assessments was completed in FY 2002, 6 percent below the national target. Broad-scale assessments are generally conducted for specific purposes on a forest or a multiforest area. Because the purposes and scopes of assessments vary considerably, flexibility is necessary for planning, developing, implementing, and reporting on the results of these assessments. Each successive broad-scale assessment benefits from lessons learned from previous efforts. The Southern Appalachian Assessment was recently completed in 2 years at relatively low cost, and the results have been shared by a number of Federal and State agencies and have proved invaluable in support of land and resource management planning for the region.

The USDA Forest Service also completed 30,347,000 acres of above-project inventories. This accomplishment is made up of a number of component parts with associated targets, some of which were met and others not. Adjustments by program managers shifted component measures of the total target to support LRMP revisions, amendments, and watershed assessments. For example, targets for "Terrestrial Ecological Unit Inventories—acres inventoried" were shifted among eco-subregion, landscape, and land unit scales, which enabled forests to focus basic inventories and complete core Geographic Information System (GIS) coverage in support of identified priorities and needs.

State & Private Forestry

The Forest Health Management Program had many accomplishments in FY 2002. Of special note are the following:

- Implemented a Slow the Spread (STS) strategy on more than 575,000 acres to control gypsy moth infestations in areas that extended from North Carolina to Wisconsin.
- Surveyed over 744 million acres of forest lands for damage caused by forest insects and diseases.
- Treated over a million acres of Federal, State, tribal, and private forest lands for insects, diseases, and invasive plants. These acres were treated to provide suppression and prevention of major pests, including hemlock woolly adelgid, gypsy moth, southern pine beetle, and other bark beetles. These acres are in addition to those treated for the gypsy moth in the STS program.
- Cooperated with USDA APHIS in survey, eradication, and community education efforts to combat Asian longhorned beetle infestations in Chicago and New York.
- Maintained programs to prevent further spread of established invasive pathogens such as Port-Orford-cedar root disease in Oregon and California and white pine blister rust in the East.
- Supported the risk assessment and eradication projects for Sudden Oak Death in California and Oregon.
- Provided technical assistance to Federal, State, and tribal land managers in preventing pest outbreaks and maintaining healthy forest ecosystems, conducting surveys to detect and evaluate forest pest outbreaks, coordinating action where pest outbreaks or other forest health problems overlapped ownership boundaries, and monitoring and reporting trends in forest ecosystem health indicators for all forests of the United States.
- Responded to nationwide threats to forest ecosystems from nonnative invasive species, such as Sudden Oak Death and emerald ash borer outbreaks.
- Conducted evaluation monitoring projects to investigate forest health issues related to fire risk, invasive species, and fire effects in the burned and unburned areas.
- Conducted a successful pilot on the Early Detection Survey System with APHIS to rapidly detect new, unwanted introductions of exotic insects and diseases around nine U.S. port facilities.

- Maintained development, pilot tests, and demonstrations of new technologies, materials, methods, and strategies to improve the efficiency of the management of forest pests.

Program Evaluations

No program evaluations were conducted by the Ecosystem Management Coordination (EMC) Staff of NFS during FY 2002.

Within R&D, the six regional research stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry annually evaluate needs at the various levels, assign priorities, and request funding. Their requests are carefully reviewed and coordinated with needs identified as critical at the national level and then merged into a National Research Program. The base R&D program, however, is assembled from the individual field submissions.

Customer, research user, and peer comments are considered and critically reviewed when identifying research needs at regional levels. Valuable guidance in shaping the R&D program is provided in this process. For example, as R&D began reaching out to underserved communities, a need to expand our social science research effort was identified. Many minorities do not know about national forests while others, because of perceived barriers, do not use them. R&D believes this is a subject worthy of special emphasis.

In FY 2002, 13 percent of research work unit descriptions were revised to reflect changes in the proposed research mission, problem, or approach.

R&D program reviews were conducted at several stations. Employees and station customers were interviewed in each case. As a result, a number of changes have been made to enhance program delivery internally and to external customers.

Forest Health Management reviews included the Chief's Overviews of the National Fire Plan for Regions 8 and 10, which addressed insect outbreaks as they relate to fire risk. These reviews emphasized the need for prevention and restoration activities on forest lands. An invasive plant activity review for Region 5 (California and Hawaii) recommended that the region's invasive plants program better integrate with other agencies.

Conclusions and Challenges

In a science agenda for the next fiscal year, the Administration presented research and development opportunities that are intended to continue global leadership in science and technology. The science agenda includes existing and emerging research and development priorities that require significant levels of coordination and planning. The priority-setting and coordination process reflects the Administration's objectives of maintaining excellence and maximizing the efficient and effective use of the Nation's resources.

The multitude of opportunities requires wise selection of which programs to launch, encourage, and enhance, and which to reevaluate, modify, or redirect in keeping with national needs and capabilities. For example, the area of science for sustainability seeks to increase our understanding of complex systems and addresses challenges to global sustainability in areas such as energy, environmental protection, food and water, and health.

As directed by the President's Management Agenda, R&D program management and effectiveness will be improved through the application of explicit investment criteria. The criteria will help improve program management and funding decisions, which will ultimately increase public understanding of the possible benefits and effectiveness of Federal investments in research and development. Satisfying the research and development performance criteria for a given program should serve to set and evaluate performance goals for purposes of the Government Performance and Results Act.

NFS will continue to improve the definition of its inventory indicators to improve the quality and usefulness of the information gathered. To ensure further improvements to the inventory and monitoring program, the EMC staff will continue to prepare inventory and monitoring program plans and schedule, develop, and test protocols and accomplishment tracking tools.

Verification, Validation, and Limitations of Data Sources

Research & Development

The complex and unstructured processes found in the research and development arena are not easily quantified. In the physical sciences, measurement such as length, temperature, and mass may be measured using single standard units—the adequacy of each measurement depends on the qualities of the instrument, but the standards are well defined and widely accepted. In contrast, the creative aspects of research and development make direct measurement impossible. The dilemma is balancing objectivity with the subjective selection and interpretation of measurement indicators, recognizing the cognitive and social structure of science. Three dimensions of research and development—concept generation, product development, and leadership—are distinct phenomena with unique characteristics within the innovative process of research. These dimensions are not amenable to forced correlations and patterns, which can result in comparing apples and oranges, so to speak.

Alternatively, indicators may be used for certain aspects. The degree to which such indicators "measure" research and development performance depends on their accuracy, their quantity, and whether any one indicator may be aggregated with others for indexing. Empirically, this means one measure will be inherently insufficient to capture all the information required.

The current single measure of R&D performance—number of products, technologies, and tools produced—has a reasonably high bias for accuracy, precision, and repeatability, but has variable tolerance and sensitivity. A more plausible approach would be to use a set of performance measures that can be linked to outputs. A systematic design and understanding of the process by which R&D impacts agency performance, and to which the agency remains committed to working with users and the scientific community, will allow us to identify and define meaningful performance measures for the future.

National Forest System

Outputs for NFS in the chart above shown with a data source indicator of MAR are collected through the Management Attainment Reporting (MAR) process. The data is compiled by the ranger districts and national forests and then reviewed by regional and national offices for reasonableness. Further validation has not been considered costeffective, so accuracy of the data is dependent on entries made at the national forest level.

The method for calculating the performance measure "million acres of above-project inventory completed" was changed to better reflect the MAR data collected at the field level. The measure "assessments completed" now represents only landscape/watershed scale assessments.

In previous years, Forest Health Management technical assistance, which includes biological assessments and technology transfer to forest managers, was converted to acres treated or protected, which resulted in different estimates of actual work performed. There is no direct link, however, of technical assistance to number to treated acres. The transformation of technical assistance to treated acres is no longer used. Thus, the actual number of forest health acres protected decreased by nearly 1 million acres when compared to estimates for the FY 2002. This decrease in acres protected reflected changes in how these acres were calculated in the past. For FY 2002 accomplishments, "Acres protected" equals "Acres treated" to better reflect actual work performed.

Strategic Objective 3d: Broaden the participation of less-traditional research groups in research and technical assistance programs.

Annual Performance Goal and Associated Measure:

(1) Develop active, ongoing participation of less-traditional groups in research and technical assistance programs.

Measure: Percent increase in the number of less-traditional technical and research groups participating in research and technical assistance programs.

Overview

The USDA Forest Service provides services and opportunities to Americans of all racial and ethnic backgrounds. Through a variety of employment and economic outreach programs, the agency strives to encourage and increase participation of diverse individuals and groups in research program management and community capacity building. Many agency programs and services are directed at minority, poor, and other underserved groups throughout the Nation.

USDA Forest Service management is concerned with the potential for disproportionately high adverse human health or environmental effects from its programs, policies, and activities on minority and low-income populations. It is important to find common ground and build relevance with all segments of society, including underserved populations and communities, to effectively carry out the agency's mission, plans, programs, and activities.

The mission of the USDA Forest Service Research and Development (R&D) deputy area is to develop, demonstrate, and disseminate scientific information and technologies to protect, manage, and sustainedly use those renewable resources in rural, suburban, and urban areas. The knowledge and research products provided by R&D scientists contribute considerably to maintaining and improving the health and productivity of forest, rangeland, and aquatic ecosystems, as well as providing important information for USDA Forest Service policies and programs. Many efforts have been undertaken to increase the knowledge of, and participation in, the research programs of the USDA Forest Service and its partners and cooperators among minorities and other underrepresented groups.

Conservation Education emphasizes delivery of program materials and services to audiences identified in the Forest Service Interim Strategic Public Outreach Plan of April 2000 as underserved customers, populations, or communities. According to the plan, these audiences include minority groups (including American Indians or Alaska Natives), persons below the poverty level, and persons with disabilities. Conservation Education also emphasizes delivery to urban communities in consideration of the growth of urban populations in comparison to rural populations. This requires national emphasis because the majority of Forest Service field units are located in rural communities.

FY 2002 Performance

The USDA Forest Service continues to accomplish and expand upon the USDA Civil Rights initiatives integral to customer service delivery. Through the strategic public outreach plan, the agency continues to establish and build positive working relationships with underserved, minority, low-income, and limited-resource communities in collaborative land stewardship, as well as to improve customer service and increase program delivery and outreach. Efforts are under way to increase the diversity of the research community through participation with universities and other partners in supporting enrollment of minorities and other underrepresented groups in natural resource research fields. Communities affected include Hispanic, Asian-Pacific Islander, African American, and other multiracial/cultural community-based organizations.

The national headquarters provided seed money to field units that demonstrated excellent public outreach partnerships with diverse, underserved communities. The field units and project managers obligated 80 percent of these funds to accomplish additional local results. These excellent models of public outreach with underserved communities are the focus of agencywide dialogue for improving customer service, public outreach, and collaborative stewardship initiatives.

The USDA Forest Service implemented an agreement between the Pacific Southwest Region and the University of California-Berkeley. This partnership supports numerous community-based organizations and works to establish a forum available to the USDA Forest Service for dialog with these underserved communities, called "People for Forest, Forest for People—Just Forest Symposium." Implementation of the forum has been planned for fiscal year (FY) 2003.

The USDA Forest Service headquarters implemented initiatives on civil rights partnerships, outreach, and capacity building with several land grant colleges, universities, and centers of excellence. Federal financial assistance was administered by USDA Forest Service regions and research stations. Capacity building includes (1) increasing school capacity for accreditation, more classes, USDA Forest Service research, and natural resource applicability; (2) providing meaningful student work experiences; (3) providing undergraduate and graduate academic development integral to growing agency research programs that are addressing problems, thereby achieving place-based solutions; (4) building community capacity through technology transfer; (5) making USDA Forest Service research and technical assistance accessible to less-traditional research groups and underserved communities; (6) improving service to underserved communities through public outreach efforts; and (7) enhancing the internal retention capacity of a skilled, representative workforce.

An example of USDA Forest Service partnership and outreach efforts is the Clark Atlanta Initiative, an education and research partnership among the agency's Forest Products Laboratory (FPL), Clark Atlanta University (CAU), the Institute of Paper Science and Technology in Atlanta, and the University of Wisconsin-Madison. The objectives of the initiative are to attract CAU students into undergraduate and graduate programs focused on forest products utilization research and to diversify the scientific workforce in natural resources utilization. The FPL has four specific goals for the program. The first is outreach and education among underrepresented groups through (1) highlighting career opportunities in research; (2) encouraging and assisting underrepresented group members to pursue degrees in engineering, chemistry, biological sciences, materials science, forest products technology,

and economics; and (3) increasing the diversity of participants in the programs of all initiative partners. The second objective is recruiting and preparing underrepresented group members for careers with the agency. Third is identifying and recruiting successful candidates for the USDA Forest Service Scientist Recruitment Initiative. The final objective is identifying and implementing research projects of common interest and benefit among the participating institutions.

Results of research programs are reaching an ever-widening range of diverse audiences—with ever-broadening benefits to the agency and its customers. For example, the newly established wildland-urban interface research work unit in the South serves a distinctly urban/suburban population—a new, diverse, and increasingly important constituent base for the USDA Forest Service.

Another example is ongoing research on cultural diversity in land use in northern New Mexico that is helping the agency deliver fair and effective programs to the historically underserved people of the area, including many small and limited-resource farmers and ranchers and land owners.

A team, including representation from R&D, has been assigned to evaluate the existing Washington Office (WO) Tribal Relations Program/Organization and to make recommendations on how the organization can be more responsive to Native American programs and responsibilities. In conjunction with this effort, the R&D organization created a team to review on-going activities and provide a framework identifying additional opportunities to support the agency's Tribal Relations Program.

A benefit to tribal relations was realized through R&D's close involvement in addressing Sudden Oak Death, particularly in California and Oregon. Many Native American tribes in these areas were not aware of the fungus that causes this disease, and the impact to the oaks, and more specifically, the acorns that are used in a number of tribal religious ceremonies. R&D has played a major role in addressing the issue and in communicating with tribal leaders about the disease and ongoing research activities to address it.

A 10-year partnership between the USDA Forest Service and Alabama A&M University resulted in a program receiving full accreditation from the Society of American Foresters, the professional society of foresters in the United States and beyond. The USDA Forest Service's largest student recruitment initiative program is at Alabama A&M, with up to 40 undergraduate students in training at any one time. Because of this partnership with Alabama A&M, the agency has increased employment of African American foresters, and Alabama A&M has faculty, facilities, and a research program worthy of recognition.

R&D sponsored and participated in the Minorities in Agriculture, Natural Resources, and Related Sciences Symposium, host to over 800 minority college students throughout the United States. R&D shared information on USDA Forest Service career opportunities and provided career advice to individual students.

The National Urban Tree House program provided educational opportunities to almost 5,000 urban or minority youth. There are currently four operational sites nationwide.

In a national customer service survey conducted in 2002, almost 63 percent of Conservation Education customers reported that they were involved with traditionally underserved populations. In addition, approximately 32 percent identified the community that they served as an urban community. No specific targets have been assigned to this aspect of the goal; however, measurements obtained through the customer service survey and subsequent annual accomplishment reports are used to help managers decide on program emphasis.

Program Evaluations

The USDA Forest Service conducted field unit Civil Rights Program reviews. The reviewers found many positive examples of program attributes and effective use of resources, but noted some areas for administration improvement, better coordination, and training.

The six regional research stations, the FPL, and the International Institute of Tropical Forestry annually evaluate needs at the various levels, assign priorities, and request funding. Their requests are carefully reviewed and coordinated with needs identified as critical at the national level and then merged into a national research program. The base R&D program, however, is assembled from the individual field submissions.

In FY 2002, 13 percent of research work unit descriptions were revised to reflect changes in the proposed research mission, problem, or approach.

Program reviews were conducted at several stations. Employees and station customers were interviewed in each case. As a result, changes have been made to enhance program delivery internally and to external customers.

A series of customer service surveys were conducted in 2002. Refer to the program evaluation for strategic objective 3b for a full description.

Conclusions and Challenges

Overall, the USDA Forest Service continues to improve administration of the civil rights partnership and outreach program. Decreasing national budgets continue to place pressure on field units and the headquarters to improve service delivery.

Customer, research user, and peer comments are considered and critically reviewed when identifying research needs at regional levels. Valuable guidance in shaping the R&D program is provided in this process. For example, as R&D began reaching out to underserved communities, a need to expand our social science research effort was identified. Many minorities do not know about national forests while others, because of perceived barriers, do not use them. R&D believes this is a subject worthy of special emphasis.

Information obtained through the 2002 customer service survey for Conservation Education indicates a strong emphasis on delivering conservation education materials and services to underserved populations and, to a lesser degree, to urban populations. However, no baseline has been previously established for the measurement of accomplishment in this arena. Measurements from 2002 and subsequent years will provide a baseline for future management decisions on program emphasis and direction.

Verification, Validation, and Limitation of Data Sources

The complex and unstructured processes found in the research and development arena are not easily quantified. The current single measure of R&D performance—number of products, tools, and technologies produced—has a reasonably high bias for accuracy, precision, and repeatability, but has variable tolerance and sensitivity. A more plausible approach would be to use a set of performance measures that can be linked to outputs. A systematic design and understanding of the process by which R&D impacts agency performance, and to which the agency remains committed to working with users and the science community, will allow us to identify and define meaningful performance measures for the future.

No limitations of data sources have been identified by the Civil Rights Staff for the information that they have gathered and use.

The Conservation Education customer service survey was conducted through a nationally recognized survey firm. The maximum sampling error for this survey is plus or minus 3.1 percent at the 90 percent confidence level.

Strategic Goal 4. Effective Public Service

Strategic Objective 4a: Improve financial management to achieve fiscal accountability.

Annual Performance Goals and Associated Measures:*

(1) Maintain an effective and efficient service-wide financial management organization.

Measure: Review the activities and structure of the headquarters' Budget and Finance deputy area and implement identified changes within the fiscal year.

(2) Manage an integrated performance accountability process that provides for program and financial management accountability.

Measure: Develop a conceptual design of an agencywide performance accountability system that integrates program and financial management information.

Measure: Develop and implement a comprehensive range of financial management performance measures and establish financial management performance benchmarks.

(3) Maintain continuous improvement in USDA Forest Service activities to support more efficient and effective financial management.

Measure: Support the valuation of the agency's property with less than a 5 percent error factor.

Measure: Reconcile 100 percent of the agency's fund balance with the U.S. Department of the Treasury.

Measure: Reconcile subledgers monthly with the agency's general ledger.

Measure: Prepare quarterly financial statements.

* The annual performance goals and objectives have been rewritten from the FY 2002 Annual Performance Report to better reflect the agency's financial goals and issues.

Overview

The USDA Forest Service continues to emphasize fiscal accountability as the agency manages public funds and property entrusted to it throughout the Nation, as well as internationally. Toward this end, the agency made significant strides during fiscal year (FY) 2002 in the development and maintenance of an efficient and effective financial management organization.

USDA Forest Service financial management has been strengthened this past year through the accomplishment of key activities. Included have been efforts impacting the agency's financial management organization and the processes used to monitor performance and related accountability. Other critical projects included management of the agency's annual budget and records supporting the valuation of USDA Forest Service property. Conducted in a coordinated, planned environment, these activities all support the agency's stewardship of public assets.

Effective public service requires that the USDA Forest Service improve financial management to achieve fiscal accountability. To accomplish this objective, three key goals have been identified in the table above for FY 2002. These goals are a modification of the three goals originally published as part of the USDA Forest Service FY 2002 Annual Performance Plan, dated March 2001. Appropriate modifications of the original published annual goals became evident as the agency continued implementing financial management improvements throughout FY 2002.

FY 2002 Performance

In FY 2002, USDA Forest Service achieved an unqualified audit opinion from the Office of Inspector General (OIG) for the first time. Many factors contributed to achieving this milestone, but tantamount was the hard work and dedication of employees throughout the agency in working toward this goal.

Another important element was an evaluation of core responsibilities and a subsequent reorganization of the Budget and Finance (B&F) staff in the Washington Office, which allowed the agency to better manage those responsibilities. The reorganization of the headquarters' financial management staff resulted in a flattened organization through the elimination of 11 branch chiefs and a 16 percent decrease in total staffing.

Defining performance expectations and measuring actual performance are other key aspects in achieving fiscal accountability. Efficient and effective management of financial resources includes not only maintaining accurate and timely records of the expenditure and collection of Government funds, but also measures of what has been accomplished through the use of such funds. During FY 2002, the agency designed a pilot system for integrating program and financial management accountability. Linking accountability in this fashion provides the agency with a valuable managerial tool.

The agency also successfully developed and implemented key financial management performance measures. As a result, measures depicting actual individual performance by units agencywide are reviewed every month by USDA Forest Service management. These measures provide management with a valuable tool for tracking accomplishments and identifying areas needing additional support.

Continuous improvement requires continuous efforts, targeted to accomplish specific objectives. In attaining the unqualified audit opinion, the USDA Forest Service successfully

supported the valuation of property agencywide with an error factor of less than 5 percent and successfully reconciled 100 percent of the agency fund balances with the U.S. Department of the Treasury. The USDA Forest Service also successfully completed monthly reconciliations between subledgers and the agency's general ledger, and completed quarterly financial statements on time.

Program Evaluations

A review was conducted of the core responsibilities and associated organizational structure of the headquarters' B&F staff during FY 2002. Through this review, the B&F staff was streamlined, including reducing managerial positions. In addition, key organizational changes within the staff were completed in FY 2002, permitting a sustained focus on critical financial management activities such as reconciling agency accounts, including cash, real and personal property, and other assets.

Conclusions and Challenges

The USDA Forest Service achieved significant progress in improving financial management within the agency in FY 2002. The activities and organizational structure of the headquarters' B&F staff were reviewed, with significant changes made to improve the unit's efficiency and effectiveness. Similar reviews of the roles and responsibilities of units throughout the agency will need to be completed, along with reviews to identify the most efficient structure to accomplish the tasks of financial management.

A strong basis for measuring and reporting program and financial management performance was developed in FY 2002. In future years, the agency will formalize an integrated performance management process. This integration will require close coordination between program and financial management staffs. Through integrated monitoring, the agency will be able to accurately measure and report on USDA Forest Service financial management activities.

Financial management is a continuous process. Similarly, the USDA Forest Service will continuously improve the efficiency and effectiveness of agency financial management processes and systems. During FY 2002, the agency made significant progress in reconciling agency accounts and supporting the valuation of property. Through these reconciliations, sustainable business processes have been identified. It is critical for the agency to continue to develop, implement, and monitor sustainable business processes agencywide as needed.

Verification, Validation, and Limitations of Data Sources

Validation of USDA Forest Service financial management activities is achieved through a number of methods, including reviews, the use of financial management performance measures, and audits. A key audit conducted annually by the U.S. Department of Agriculture Office of Inspector General (OIG) is the audit of agency financial statements. The audit opinion expressed by the OIG relative to the annual financial statements compiled by the agency is an excellent means of validating the integrity of USDA Forest Service financial management and the degree to which an outside party may rely on specific amounts reported. In this audit, the USDA Forest Service received an unqualified opinion, the highest level attainable.

Strategic Objective 4b: Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees.

Annual Performance Goals and Associated Measures:
(1) Roads under USDA Forest Service jurisdiction are operated and maintained to standards.

Measure: Percent of roads under USDA Forest Service jurisdiction with no critical deferred maintenance needs. Agency facilities, trails, and infrastructure are maintained to be in safe condition for the public.

Measure: Percent increase in the number of agency facilities and infrastructure that meet health, safety, and environmental standards. Percent increase in critical fire facilities reconstructed and maintained.

(2) Restore State, local, and private facilities and infrastructure, primarily in the western United States, that sustained severe damage by the wildfires of 2000, through provided fire assistance.

Measure: Percent of wildfire-damaged State, local, and private facilities and infrastructure that have been restored through provided fire assistance.

(3) Law enforcement capability provides for employee and public safety and protection of resources and infrastructure assets.

Measure: Percent increase in the number of administrative units with adequate law enforcement services.

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Enforce National Forest System Drug Control Act—Number of cannabis plants eradicated	Program Staffs	NR [a]	733,427	733,427	734,000	396,880 [b]
Enforce laws and regulations—Percent enforcement capability	Program Staffs	28	30	44	44	50
Investigate crime—Percent investigative capability	Program Staffs	49	51	43	43	72
Maintain facilities—Facilities condition index [c]	INFRA [d]	–	N/A [e]	N/A	N/A	63
Improve facilities—Number of projects completed [f,g]	Program Staffs	62	73	72	110	61

Activity and Outputs	*Data Source*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Actual*	*FY 2002 Revised Target*	*FY 2002 Actual*
Maintain transportation system (passenger car roads)—Miles maintained to objective standard	RAR [h]	NR	51,733	30,056	23,337	27,499
Maintain transportation system (high clearance and closed roads)—Miles maintained to objective standard	RAR	NR	69,984	51,576	29,011	49,299
Improve transportation system (roads)—Miles of road capital improvement to objective maintenance level	RAR	NR	612	370	1,130	1,131
Maintain transportation system (trails)—Miles of trails maintained to standard	MAR [i]	NR	24,065	40,800	26,502	30,649
Improve transportation system (trails)—Miles of trail improvement to standard	MAR	NR	1,510	1,245	1,169	1,159
National Fire Plan—Maintain and improve forest service fire facilities—Number of projects completed	Program Staffs	–	–	107	44	10 [j]

a NR = Not reported or not required.

b Due to the marijuana eradication season extending beyond the fiscal year, data collected for number of marijuana plants on National Forest System lands is done by calendar year. These numbers are only through fiscal year (FY) 2002. Data for FY 2000 and FY 2001 are shown on a calendar year basis.

c The protocol for the measurement of the facility condition index was under development. No targets were set.

d INFRA = Infrastructure database

e N/A = Not applicable.

f FY 2000 and FY 2001 outputs do not include number of recreation projects.

g FY 2002 facilities projects target and accomplishment include major Capital Improvement Projects only. A number of planned projects were not awarded in FY 2002 due to transferring funds to support fire suppression.

h RAR = Roads Assessment Report.

i MAR = Management Attainment Reporting database.

j A number of projects were not awarded in FY 2002 due to transferring funds to support fire suppression.

Overview

National Forest System (NFS) lands provide a wealth of opportunities for all segments of American society. Millions of visitors use our national forests and associated transportation system for work, recreation, and other uses. Safety and security of all users on NFS lands are paramount and are the primary responsibility of the Law Enforcement and Investigations (LEI) Program. In addition, LEI has the responsibility to protect natural resources and other property under the agency's jurisdiction. LEI cooperates with Federal, State, and local law enforcement agencies and other USDA Forest Service programs to achieve these goals.

Major responsibilities of the LEI staff include providing a highly visible patrol presence and prompt response to public and employee safety incidents and to violations of laws and regulations. The staff conducts criminal and civil investigations; responds to acts of domestic terrorism, unlawful civil disobedience, and other critical incidents that occur on NFS lands or facilities; and provides security-planning and operational support and investigates threats against agency facilities, interests, or employees. In addition, LEI is responsible for reducing the production of domestic cannabis and other controlled substances on, and the smuggling of illegal drugs through, NFS lands.

Increased forest visitation, urban encroachment, and increasingly urbanized users are impacting NFS lands, raising health and safety risks to the public and employees, and threatening resource viability. Consequently, the demands on agency law enforcement personnel continue to increase.

Forest visitors use more than 360,000 miles of roads and more than 130,000 miles of trails that exist on national forest lands. Maintenance of facilities, roads, and trails is needed to ensure that these systems do not degrade to the point of causing resource damage or injury to employees and national forest visitors. Facility, road, and trail maintenance ensures that legal, environmental, and safety requirements are met as much as possible within funding constraints and helps provide for the safety of forest visitors and employees. Maintenance of roads directly affects national forest management, because the road system provides the access necessary to achieve forest plan objectives. Maintenance of facilities results in improved customer service and satisfaction, higher employee productivity, improved public image, improved safety and security, and lower Worker's Compensation costs. Adequate facilities also increase productivity in environmental resource development and use.

FY 2002 Performance

A variety of road, trail, and facility maintenance work was done in fiscal year (FY) 2002. During FY 2002, approximately 88 percent of all roads were operated at maintenance levels equal to or greater than the objective maintenance level. The measure for road maintenance was changed for FY 2002 from "miles of road maintained to standard" to "miles of road maintained to objective maintenance level" to better define the accomplishment required. In FY 2002, miles reported under the new measure were 8.5 percent lower than that reported under the old measure at the end of FY 2001. The reported miles of trail maintenance and improvement are 105 percent of target. The agency has emphasized reducing the backlog of trail improvement and maintenance and is completing trail inventories, assessments, and condition surveys to determine the existing situation and plan for the future.

Approximately 36 percent of passenger car roads had no critical health and safety deferred maintenance needs and only 5 percent had no critical deferred maintenance needs of any type. Deferred maintenance is maintenance that was scheduled to be performed but delayed until a future period, and can be either critical or noncritical. Critical maintenance involves situations where health and safety concerns need to be addressed, whereas noncritical maintenance involves routine and other non-emergency types of maintenance. In FY 2000 and FY 2001, a single mileage figure was reported for the road maintenance accomplishment. In FY 2002, the agency delineated both critical and non-critical maintenance activities. Reporting both activities better reflects the common situation where critical activities are performed and noncritical work is deferred. Many roads in the lowest maintenance level (1 - stored roads) require no maintenance, yet they are also reported as maintained to objective maintenance level.

The national average of bridges inspected on schedule for FY 2002 was 66 percent of the target. Many inspections were conducted by State engineers; in some cases the reports were not received in time to get the results entered into the database. In addition, there is a lack of trained and certified bridge inspectors, and in FY 2002, some inspections were delayed due to diversion of staff resources for fire duty.

The reported miles of trail maintenance and improvement were 105 percent of the target due to an emphasis on reducing the backlog of trail improvement and maintenance. In addition, the agency is in the process of completing trail inventories, assessments, and condition surveys to determine the existing situation and plan for the future. Project work was supplemented by long-term partnerships and other volunteer assistance; however, staff shortages and fire emergencies continued to challenge backlog progress.

The number of capital improvement projects accomplished was 55 percent of the target. The shortfall was due to the transfer of construction funds to support fire suppression nationwide.

Law enforcement activity in general was down in FY 2002. Approximately 157,000 incidents were reported to have occurred on NFS lands, which is below previous years. This could be attributed to the high fire activity, which closed some national forests to visitors and involved many LEI personnel with related fire activities. LEI personnel also contacted more than 1 million people, providing such services as general information, obtaining information on criminal matters, assisting with visitors' problems, and search and rescue. Criminal investigators opened 1,650 resource investigations and closed 1,184, including offenses such as timber and forest product theft, archeological resource damage and theft, and arson. In addition, they conducted 154 internal criminal misconduct investigations.

USDA Forest Service facilities have unfortunately been the target of attacks by domestic terrorists and other individuals who oppose Federal law or agency policies. In August 2002, an $800,000 arson fire destroyed an agency research facility in Warren, PA. The Earth Liberation Front claimed responsibility for this action and made additional threats against agency facilities and employees. LEI conducted a number of security assessments on agency facilities located throughout the country and provided expertise to agency managers in planning for and responding to emergency incidents.

As part of a large cooperative security task force operation, LEI also provided more than 100 personnel to the Winter Olympics in Salt Lake City, UT, both on and off Olympic venue sites. A number of other emergency incidents throughout the year resulted in employees being moved throughout the Nation to meet demands.

The White House National Strategy for Homeland Security defines responsibilities for all Federal agencies. LEI's homeland security capability lies in its local enforcement and intelligence expertise on the millions of acres of NFS lands. Partnerships with Department of Justice and Federal Bureau of Investigation's (FBI) Terrorism Task Forces and numerous other entities were initiated and strengthened by LEI in FY 2002.

There are approximately 31,860 nonrecreation special use authorizations that may have varying degrees of vulnerability. These authorizations cover everything from irrigation ditches to large-scale dams, small private radio antennas to large industrial microwave sites, and worm harvesting operations to energy generation and water treatment plants. While the USDA Forest Service does not have the explicit duty to protect these sites, this does not preclude its responsibility to require that any activities are conducted and maintained in a safe and secure manner.

FY 2002 was a devastating fire season, not only in the resources lost, but also in suppression costs. LEI personnel investigated hundreds of fires, many of them arson caused. Due to LEI's investigative efforts, an agency employee was arrested and charged for starting the Hayman fire in Colorado, which burned over 150,000 acres and many structures. The Rodeo-Chediski fire in Arizona burned over 500,000 acres and hundreds of structures. LEI investigated the fire in cooperation with the Bureau of Indian Affairs (BIA) and the FBI, which led to the arrest of two BIA employees. LEI investigators also arrested a man in Tennessee for arson. He is suspected of setting fires to the NFS lands for the past 30 years.

Program Evaluations

The Engineering Staff conducted a road program monitoring trip in Region 1 (Northern) during FY 2002. The monitoring revealed that many national forests do not have adequate road management objectives.

Due to the diversion of funds to fire suppression activities, the Region 10 (Alaska) Recreation, Heritage, and Wilderness Program review, including a review of the trail program, was postponed to FY 2003.

A general activity review of the Southwestern Region Law Enforcement and Investigations program was conducted during FY 2002. The review found strong relationships between LEI and other USDA Forest Service programs and a strong commitment by personnel to resource management values. The Southwestern Region's implementation of the Recreation Fee Demonstration Program on the Tonto National Forest has improved public safety and emergency response, as well as reduced general crime and drug use problems. The creation of the new Valles Caldera National Preserve within the NFS in New Mexico and its management by a board of citizens and agency officials presented unprecedented agreements regarding provision of law enforcement services. During the review, this process was found to be proceeding well.

Unfortunately, the review also found ongoing problems throughout the region. This is perhaps best illustrated along the Mexican border. The Coronado National Forest shares over 55 miles of direct border with Mexico. The review confirmed the ongoing extraordinary impacts and significant safety risk presented by international border traffic in undocumented immigrants and drug smuggling and use.

Conclusions and Challenges

The USDA Forest Service estimates there is a $10 billion backlog of deferred maintenance and capital improvement needs on the road system, a $2.8 billion backlog in facilities, and a $280 million backlog in trails. At current funding levels, the backlog continues to grow and has extensive adverse impacts on national forest visitors and resources.

The USDA Forest Service published a new road management policy in FY 2001. The policy required all national forests to complete a forestwide roads analysis by January 12, 2003. In doing this analysis, national forests compared their available road maintenance funding with the funding needed to maintain the road system at its objective level. Alternative transportation strategies were developed that, while greatly reducing the number and maintenance levels of open roads, resulted in a road system that can be maintained to applicable standards within the available budget. As these strategies are implemented, the percentage of roads maintained to objective maintenance levels will continue to decline, resulting in a lower percentage of roads reported open and available to intended traffic

The USDA Forest Service currently owns more than 40,000 buildings, of which 60 percent are older than 30 years. The agency is prioritizing facilities to be upgraded to meet health, sanitation, and accessibility standards. At the same time, the agency must be prepared to remove buildings and infrastructure that no longer meet its needs, are not in tune with the natural setting, present significant health and safety problems, or are too expensive to maintain. To protect and ensure the proper care of natural settings, the agency will need to strengthen some heavily used and fragile sites. New construction is expected to be limited and will focus only on resolving resource impacts, meeting identified demand, and helping to diversify local economies.

Appropriations are not sufficient to bring all existing facilities to an acceptable standard or to construct new facilities that meet changing customer demands or reduce environmental impacts. The USDA Forest Service is developing a Facilities Management Strategy to address the funding shortfall that includes a facility master planning process, facility working capital fund, and guidelines for decommissioning and disposal of unwanted facilities. In addition, the USDA Forest Service will continue to look at opportunities to partner with volunteers, nongovernmental organizations, private sector businesses, and other agencies to get the job done.

The public is becoming increasingly interested in the trails program. Additional resources will be needed to complete inventory, assessment, and condition survey needs; maintain and continue partnership outreach efforts; and provide other volunteer support. Recent fires of 2001 and 2002 have added to direct and indirect trail and trail structures damage, resulting in additional rehabilitation needs in some regions. The current annual appropriation for trail maintenance is estimated to be 50 percent of the need.

Inclusion of additional trail resources inventory data in the infrastructure database will improve overall accountability. Program budgets were supplemented in FY 2002 by a variety of partnership and collaborative volunteer efforts to accomplish trail operation and maintenance needs, and that is expected to continue. Increased emphasis should result in improved accomplishments in FY 2003.

NFS lands are heavily impacted by the production and illegal importation of controlled substances and other drug activity. The USDA Forest Service has primary responsibility for drug enforcement on NFS lands. LEI personnel eradicate domestic marijuana plants, locate clandestine methamphetamine operations on NFS lands throughout the Nation, and interdict illegal drug smuggling along both international borders. Armed growers, booby-trapped sites, and toxic chemicals pose a tremendous risk to the public and employees. Additionally, watersheds, vegetation, soils, and wildlife are at a great risk from toxic chemicals, fertilizers, and wildlife poisoning and poaching. LEI is striving to achieve a 100 percent response rate for both enforcement and investigative capabilities and to completely eliminate marijuana, methamphetamine, and other drug production and trafficking on NFS lands, as well as drug-related activities affecting those lands.

LEI is undertaking efforts in facility security assessments, primarily at highly vulnerable research labs, and is defining a national plan for identifying and protecting USDA Forest Service assets, including those under special use permits. LEI has designated a homeland security coordinator to facilitate all LEI efforts in sharing information; collecting and disseminating intelligence; and preventing, enforcing, and investigating terrorist acts.

As part of the USDA Forest Service mission of managing more than 192 million acres of NFS lands, the agency must ensure public and employee safety and resource protection. The events of September 11, 2001, have changed how the agency views security and impacts on international borders. The USDA Forest Service Homeland Security Committee set a goal to maintain the security of USDA Forest Service operations and critical infrastructure. One of the objectives under this goal is to reduce and mitigate impacts and implications to NFS lands, facilities, and public safety due to unchecked illegal traffic coming across the international borders that may facilitate terrorist activities.

The agency recognizes its responsibility as a Federal law enforcement entity in providing assistance and augmentation to agencies assigned to border security. The agency, however, is often the only Federal agency working in these remote areas and is the best trained, equipped, and knowledgeable in these locales. Given adequate permanent staffing, the USDA Forest Service and LEI will be uniquely suited to participate with and augment any agency or task force that is designed to safeguard the U.S. borders and the interests affected by these borders.

To reach these targets, LEI must obtain additional funding for personnel. The targeted minimum level of service is one or more law enforcement officers on each USDA Forest Service unit. Until the base level of service is reached, LEI's goal is to maintain, rather than reduce, its current enforcement and investigative capabilities. LEI will prioritize enforcement and investigative actions, giving priority to responses to crimes against persons and their property over natural resource-related crimes.

Verification, Validation, and Limitations of Data Sources

The majority of the roads and trails data referenced is obtained through the USDA Forest Service INFRA database. This database provides access to data that is input at the field level. Therefore, there are limitations to the accuracy of this data. Currently, the only active process for data verification and validation is through condition surveys throughout the year. These surveys provide a look at the progress of the performance measures.

The measure "percent of roads open to intended traffic" is limited in its applications. Monitoring trips to the regions continue to indicate that the forests are over-reporting this value. The roads analyses discussed above will begin to address this issue.

Although current trail data is incomplete, in the near future we expect the INFRA trails module, complemented by cost information from Meaningful Measures, and assessment and condition survey from Trails Assessment and Condition Survey to provide complete trail information by local, regional, and national levels, as well as by State and political divisions.

LEI implemented a new electronic enforcement and investigative database in FY 2002, the Law Enforcement and Investigations Management Attainment Reporting System. This system is a compilation of two older systems and fully integrates enforcement and investigations data. The system also adds modern Geographic Information System (GIS) crime mapping capabilities to provide more responsive management feedback about agency law enforcement effectiveness.

The primary limitation to a fully functioning database is data input. LEI also lacks the resources needed to verify, enter, and maintain the tremendous amount of field data collected. Consequently, the data included here is very conservative.

Strategic Objective 4c: Improve and integrate informational systems, data structures, and information management processes to support cost-efficient program delivery.

Annual Performance Goals and Associated Measures:

(1) The public and employees are satisfied with the accessibility and usefulness of information systems, service, and data structures.

Measure: Public and employee satisfaction rating.

(2) Information system and data structures provide employees and the public ready access to current economic, social, and ecological data and information using current technology.

Measure: Percent of available and current technology that is incorporated in projects and products.[a]

Measure: Percent increase of Intranet hits annually. Gigabytes of information available on the Washington Office World Wide Web.[b]

[a] No data was collected for this measure in FY 2002. For FY 2003 and beyond, new information technology contracts will be performancebased, and data will be measured annually.

[b] Original measure tracked Internet hits, but Intranet hits have been tracked instead, so wording was changed. "Gigabytes of information..." added as part of the measure.

Overview

Public and employee surveys are undertaken to assess satisfaction with accessibility and usefulness of information systems, service, and data structures. The USDA Forest Service then makes improvements to computer and network architecture in order to support seamless access to information kept on agency Intranet and Internet servers.

Several changes in activities and system modifications have been made in the past several years to improve the delivery of services. Implementing the Enterprise System Management (Tivoli) environment improved central operations and supports the computer infrastructure as well as central backup/restoration for online storage and contributes to accessibility, service, and usefulness of systems. The Information Resources Board was established to ensure that information resource investments are directed to priority program requirements.

Data standards are key to sharing data with customers from both the public and private sectors, as well as combining data with partners to perform broad-scale natural resource analyses for areas that overlap USDA Forest Service boundaries. The agency established internal data standards, the Geographic Information System (GIS) Data Dictionary being a prime example. The agency is also involved in setting interagency data standards, participating in the National Wildfire Coordination Group, the Federal Geographic Data Committee, and others.

FY 2002 Performance

The steady stream of advancements in information technology is driving increasingly high expectations for increases in services and convenience of service. The Government is a principal service provider and its leaders are accountable for meeting these growing service demands. The President's Management Agenda challenges Federal agencies to become citizen-centric and to expand e-Government.

Based on observations and trend analyses, from fiscal year (FY) 2001 to FY 2002, the agency increased the amount of information available to employees from 630,000 gigabytes to more than 750,000 gigabytes. During the same period, information available to external customers via the Internet increased from an estimated 65 gigabytes to 133 gigabytes. Access to the information appears to have increased dramatically during the past year as well. Internally, employee access to the agency's Intranet at the Washington Office more than doubled from FY 2001 to FY 2002. In FY 2002, approximately 82 million "hits" were recorded; this increased to more than 167 million in FY 2002. The USDA Forest Service Internet Web site also experienced a surge from 280 million "hits" in FY 2001 to more than 510 millions "hits" this fiscal year. The amount of information made available to employees is increasing at a rate of about 20 percent a year, whereas the amount of information made available to the public, while currently at a much lower base, is growing at a rate of more than 50 percent a year.

A survey by Gartner Incorporated, which is discussed in the Program Evaluations section, revealed that 78 percent of employees rate the quality of the information technology equipment and the quality of deskside support as "OK," "Good," or "Excellent." The overall quality of the computing environment was rated "OK" or better by 70 percent of employees.

The agency made great progress in the implementation of the Natural Resource Information System (NRIS), an inventory and monitoring system that is on schedule to be fully operational by the beginning of FY 2004.

Program Evaluations

The USDA Forest Service contracted during the first half of FY 2002 with Gartner Incorporated (Gartner) to conduct a performance evaluation of the agency's Distributed Computing Environment (DCE). Gartner applied its standard Government Managed Services Assessment methodology that includes Gartner's Total Cost of Ownership methodology, a rigorous sourcing analysis, and an internal end-user survey. The study found that the DCE total cost of ownership per user is $11,254 compared to a peer group average (PGA) of $10,519. The direct cost (operations and customer support, including amortization of hardware and software) portion of that total is $5,139, which is 29 percent higher than the peer group. Since the direct cost component of the study includes amortization of hardware and software and the agency's equipment was newer than that of the peer group (since the agency completely replaced its Data General computing infrastructure in 1999) partially explains this discrepancy. The cost of operations labor indicates that the agency has a much lower ratio of users to support staff (25) than the peer group average (100), resulting in operations costs that are 32 percent higher than the PGA. The agency's indirect costs for end user operation of the equipment and software are 7 percent below the PGA. This was affected in part by the comparatively lower salaries of USDA Forest Service end users compared to the peer group.

The Gartner end-user survey found that 78 percent of agency end users rated the quality of the official deskside support as "OK," "Good," or "Excellent," and 78 percent rated the quality of

their computing and communication devices as "OK," "Good," or "Excellent." The survey also found 44 percent of users required co-worker custom application support more than 12 times in the last year (3.7 times the PGA), and 55 percent of users reported they received no training for standard applications.

The Gartner report recommended 20 actions the agency could take to lower total costs of ownership and improve customer satisfaction. Some of the most significant of these are:

- Consolidate servers and databases;
- Update hardware and software master contracts;
- Continue to move to an enterprise solution (Tivoli) for the management of the DCE;
- Move to a single point of contact help desk;
- Implement end user training on all applications;
- Move to a Virtual Private Network telecommunications architecture;
- Negotiate service levels with line management;
- Adopt standards, approve enterprise architecture, and ensure applications and systems software are adequately tested before being released into production operations;
- Request assistance from the Chief to communicate the evolving nature of information technology support, the need for standards, and the need for both information technology and program delivery personnel to change business practices to increase productivity and service delivery to the public; and
- Implement a continuous improvement program for information resources management that actively seeks out and applies best practices.

Conclusions and Challenges

The DCE performance review indicated many areas in which the agency's Information Resource Management (IRM) community can improve and thereby reach and sustain higher levels of performance. The overall rating of employee satisfaction is slightly below the norm. Implementing a central full-time help desk (the End User Support Center) and increasing employees' access to information systems training are two actions IRM is taking to most directly address employee satisfaction. Another action IRM will pursue, based on the review, is to better communicate about, and involve management in, decisions as to the services the IRM community will provide and the resource allocations this will require. IRM is also strengthening its standards, enterprise architecture, and software testing practices as advised by the DCE study.

The study did not address the public's satisfaction with the information resources offered by the USDA Forest Service, but it is known throughout the industry that better organized, consistently designed Web sites supported with an effective search engine can greatly improve the public's experience. The IRM and Office of Communications (OC) staffs are implementing improvements in this area.

Staffs from IRM, OC, R&D, and others working on applications development and geospatial information face a number of challenges both in improving current performance and on measuring performance achieved. The biggest measurement challenges are to assess the public's satisfaction with the agency information provided and to determine the utility of the information provided, not just the quantity. The agency will be implementing an information quality Web site that will contain some mechanisms to measure the public's perception of the quality of USDA Forest Service information.

Verification, Validation, and Limitations of Data Sources

The gigabytes of information available to internal and external customers, as reported in the performance section above, are based on close observation, but have not been verified. The amounts shown are based on extrapolations of incomplete data. The usage trends are a good representation of what is occurring. IRM will endeavor to collect the data more comprehensively in FY 2003. The challenge is that the USDA Forest Service still has 10-15 small World Wide Web (WWW) installations around the agency that provide fairly unique information and services to the public. This lack of central management makes it somewhat more difficult to get accurate supply measurements. This problem also exists on the USDA Forest Service Intranet or FSWEB. IRM is pursuing consolidation of the agency's WWW sites and is evaluating tools capable of gathering supply information across the agency's Intranet.

The number of hits on the Internet or Intranet is even harder to measure than the amount of disk capacity, for the same reasons; therefore, the information provided is only for the Washington Office. For the WWW, the hits measured are estimated to be at least 80 percent of the total hits across all agency WWW sites. For the FSWEB, there is no plausible way to extrapolate from the number of hits measured at the Washington Office. To track the use of the total FSWEB, the agency is searching for a tool capable of measuring Web hits across the entire USDA Forest Service Intranet.

The customer satisfaction numbers are based on a proven methodology developed by Gartner Incorporated. IRM is investigating the requirements needed to conduct an annual internal survey. Surveying external users will be more challenging; IRM will investigate options as part of establishing an information quality WWW site.

IRM is also developing additional metrics for measuring performance and will use them in defining service level agreements in contracts for IT products and services. Among these are two customer satisfaction measures. The first will assess employee satisfaction with the corporate hardware and software available to them, and the second assesses employee satisfaction with the End User Support Center in resolving problems using corporate hardware, software, national applications, and agency-run networks. The data for these measures is required by contract, will be audited, and thus will be of high quality.

Strategic Objective 4d: Improve the skills, diversity, and productivity of the workforce.

Annual Performance Goals and Associated Measures:

(1) The skills of USDA Forest Service employees are sufficient to meet agency needs and commitments for program delivery.

Measure: Percent increase in number of employees meeting skill requirements to accomplish program delivery.

(2) Affirmative Employment Program goals/objectives are met for all underrepresented groups.

Measure: Percent decrease in number of job categories with underrepresentation by affirmative action target groups.

(3) USDA Forest Service employees demonstrate improved productivity.

Measure: Cost per work unit index is stable or declining.

Overview

Our Nation is rapidly becoming more diverse. As a result, the USDA Forest Service needs to find common ground and build relevance with all segments of society—including underserved populations and communities—to effectively carry out its mission, plans, programs, and activities.

The agency's Civil Rights (CR) and Human Resources Management (HRM) Staffs formed a partnership in the overall leadership of the agency's Strategic Workforce and the Affirmative Employment Program Plan. The agency's Strategic Public Outreach Plan provides a corporate umbrella for many current national and local efforts to diversify the workforce, improve customer service, and provide employment opportunities for the American public.

The agency's Continuous Improvement Process (CIP) provides a venue for all employees to participate in surveys to identify areas within the agency where relative strengths and weaknesses exist and to effect improvements. The CIP data covers 17 areas, including rewards and recognition, training and career development, fairness and treatment of others, communication, and use of resources. The process is all-inclusive, with specific questions developed to gather information from full-time, part-time, seasonal, temporary, and student employees, as well as from Senior Community Service Employment Program (SCSEP) enrollees.

FY 2002 Performance

The USDA Forest Service continues to accomplish and expand upon the USDA CR initiatives integral to customer service delivery. During fiscal year (FY) 2002, the agency held a national meeting that featured broad Title VI and related program training for civil rights and resource program managers and supervisors.

The national headquarters provided seed monies to the field units who demonstrated excellent public outreach partnerships and conservation education efforts with diverse, underserved communities. The field units and project managers who used these funds accomplished additional local results. These excellent models of public outreach with underserved communities are the focus of agencywide dialog regarding customer service, public outreach, and collaborative stewardship initiatives.

The USDA Forest Service implemented the National Hispanic Radio outreach pilot project, which included a contract with the Hispanic Radio Network (HRN), La Red Hispana, Inc. The contractor aired more than 30 USDA Forest Service program stories nationally and internationally across HRN radio affiliates. Spanish language radio stories included wildfire prevention and suppression activities, careers in natural resources and requirements of such careers, and other agency programs offered at the field units.

The agency implemented an agreement between the Pacific Southwest Region (Region 5) and the University of California-Berkeley to provide support to numerous community-based organizations in civil rights and human resource issues. A forum for dialog between the agency and underserved communities, called "People for Forest, Forest for People – Just Forest Symposium," was developed, and will be held in FY 2003.

In collaboration with the Washington Office (WO) Ecosystem Management Coordination (EMC) Staff, the CR Staff completed development of an environmental justice and Civil Rights Impact Analysis/Social Impact Analysis Web site on the agency's Intranet. This Web site coordinates key information regarding preparation and implementation of civil rights impact analyses and environmental justice assessments for employees agencywide and provides direct links to other key related WO program staff Web sites.

The USDA Forest Service conducted numerous Civil Rights Impact Analyses (CRIA) that were regional, station, or national in scope. Some noteworthy efforts include establishment of the USDA Forest Service Limited Tree Removal Policy/Program and several organization management decisions. The HRM and CR staffs use CRIA tools and decisionmaking processes to conduct assessments of impacts on workforce diversity, local program delivery, and customer service.

During FY 2002, the agency held another organizational assessment survey called CIP 2001. Employee participation increased from 47 percent in FY 2000 to 49 percent in FY 2002. Emphasis was made on making the survey more accessible to field personnel and resulted in providing the survey in several formats, including a Web-based shortened survey and a Web-based original survey format sampling 1,000 employees. In addition, Spanish and English versions were offered in hardcopy format. Survey results indicate that there were nine areas in which the agency is doing well. Compared to other Federal agencies that administered this survey, the agency scored the highest in the area of diversity and had similar high scores in two other areas: work and family life/personal life, and fairness and treatment of others.

The USDA Forest Service has become a member of the Office of Personnel Management's Performance America Network, which enables Government organizations at all levels to benchmark themselves against other high-performing organizations to share strategies that work and establish an effective forum for discussing successes and strategies.

The Civil Rights Leadership Team (CRLT), composed of Washington Office CR leadership and CR directors from all regions and stations, continues to be an integral part of the CR Program. During the past fiscal year, the team has developed a task map that outlines all required civil rights reports, produced a brochure describing the core values and goals of the CRLT, developed a communication plan for the team, and organized several ad hoc teams to develop means for improving strategic outreach and program delivery. The CRLT has provided guidance and leadership to enhance civil rights organizational effectiveness and has contributed to continuity, consistency, and accountability in CR programs.

Program Evaluations

The USDA Forest Service conducted program reviews and implemented Senior Executive Service Performance evaluations around workforce diversity, customer service, and outreach to underserved populations. The reviewers found many positive examples of customer service and positive work environments, as well as the need for improvement in coordination and training.

The agency has been recognized as a Model Employer of Choice (the largest agency designated) by the Partnership for Federal Agencies for its effective development and use of CIP to improve the work environment of its employees.

Conclusions and Challenges

Overall, the USDA Forest Service continued to improve employee morale, decreased employment complaints, increased program complaints, increased organizational capacity to perform at a higher level, and experienced fewer retention issues in FY 2002 than in previous years. Decreasing national budgets continue to place pressure on field units and the headquarters to restructure the workforce and facility infrastructure.

The CIP continues to provide definitive data to measure organizational effectiveness over time by providing direct feedback from employees. Managers, supervisors, and employees work together to develop long-term plans to address and improve work environment issues and concerns identified in the survey to improve employee morale. The agency expects to realize improved employee performance in the upcoming year as a result of strategically addressing the areas of improvement identified by the CIP Survey.

Verification, Validation, and Limitation of Data Sources

The agency maintains and manages the USDA Forest Service Employee Complaint System, the Program Discrimination Complaints Database, and the Human Resources Management FOCUS Database, which allow assessments, actions, and improvement of situations as they arise. No significant data limitations were identified in these systems.

Strategic Objective 4e: Ensure equal employment opportunity in employment practices.

Annual Performance Goals and Associated Measures:

(1) The agency offers a work environment that values the contribution of all employees and manages employment complaints in a productive way.

Measure: Percent decrease in the number of formal internal and external equal employment opportunity (EEO) complaints.

(2) Identify and resolve the root causes of EEO complaints.

Measure: To be determined.

Overview

An integral part of USDA Forest Service leadership is the management of the Equal Employment Opportunity (EEO) complaint process which provides for earlier resolution of complaints at lower cost and at lower levels of the organization. The USDA Forest Service Employment Complaints Program is going through continuous improvements, conducting several pilots and emphasizing early intervention.

FY 2002 Performance

The agency continues to emphasize a collaborative approach to evaluating and resolving EEO complaints. This model is an effective means of coordinating the various perspectives needed to fully explore resolution options and has improved the quality of work produced by all involved in the complaint resolution process. Resolutions are reviewed for adherence to Equal Employment Opportunity Commission, USDA, and agency settlement and delegation policies.

The total number of both informal and formal EEO complaint filings decreased in fiscal year (FY) 2002. The per capita complainant filing rate, using a permanent workforce of approximately 30,450, was 0.58 percent, which is less than the Government-wide average of 0.66 percent.

The resolution rate for informal EEO complaints was 54 percent, which is 13 percent higher than in FY 2001. Formal complaints closed by either settlement or decision increased significantly in FY 2002. There were 222 closures compared to 139 the previous year.

Monthly Leadership Reports on complaint statistics were developed and are distributed to top-level management and Civil Rights (CR) directors. These reports assist in the analysis of complaint numbers, resolution rates, and patterns and trends evident in complaint filings.

Development of a new complaint database was undertaken; the database is expected to become fully operational in FY 2003. The new database will improve the tracking and analysis of complaints and will be available to CR directors in the field.

Training on EEO complaints, both the process and ways to prevent and deal with complaints, was provided to USDA Forest Service managers.

In May 2002, USDA Forest Service dispute resolution practitioners met for 3 days for training and discussion of mutual concerns. Civil Rights directors, Human Resources Management staff, and Early Intervention Program staff continue to work collaboratively throughout the organization to address EEO complaints.

Program Evaluations

The USDA Forest Service Washington Office CR Staff looks at EEO complaint activity as part of its Title VII reviews of selected regions and stations. One such review was conducted during FY 2002. The 5-year trend showed a consistent decrease in activity from six complaints in FY 1998 to three complaints in FY 2002. There was a high rate of resolution averaging over 50 percent over the 5-year period. Reprisal was noted as a basis for several complaints in 4 of the 5 years of informal complaint data. The formal complaint filings were below the USDA's average filing rate of 0.6 percent per capita based on permanent full-time and part-time employees.

Conclusions and Challenges

Statistical data reflected positive indicators for the USDA Forest Service in FY 2002. Fewer EEO complaints were filed and more were resolved than in previous fiscal years. The agency continued to promote use of alternative dispute resolution procedures, while refining its database and reporting mechanisms to aid in the analysis of complaint patterns and trends. The agency will continue to build on these efforts in FY 2003, with a focus on complaint analysis, prevention, and resolution.

Verification, Validation, and Limitations of Data Sources

The agency maintains and manages the USDA Forest Service Employee Complaint System, the Program Discrimination Complaints Database, and the Human Resources Management FOCUS Database, which allow assessments, actions, and improvement of situations as they arise. No significant data limitations were identified in these systems.

Strategic Objective 4f: Provide appropriate access to National Forest System lands and ensure nondiscrimination in the delivery of all USDA Forest Service programs.

Annual Performance Goal and Associated Measure:
(1) USDA Forest Service programs are managed in accordance with all accessibility laws, regulations, policies, and guidelines.

Measure: Percent increase in number of programs in compliance with accessibility laws, regulations, policies, and guidelines.

Overview

USDA Forest Service programs are required to provide equal opportunity in the delivery of its program to all program beneficiaries. No agency, office, or employee of the USDA can exclude from participation in, deny the benefits of, or subject to discrimination, any person in the United States on the grounds of race, color, sex, age, national origin, religion, or physical ability under any program or activity administered by the agency, office, or employees. (See USDA Regulation 7 CFR Part 15 and 15d – Nondiscrimination in USDA Conducted Programs and Activities.)

Through the integration of accessibility across agency functions, the USDA Forest Service will ensure that there is access to facilities and programs at all levels of the organization. All new or reconstructed facilities, exhibits, or informational materials are required to meet the accessibility guidelines. No separate funding is provided to improve accessibility; it is integrated into all projects. Accessibility improvements are completed using a wide range of funding sources, such as capital investment and maintenance, the Fee Demonstration Program, Transportation Equity Act (TEA-21), cooperative agreements, and grants.

Accessibility awareness training and support are needed by all staff. Furthermore, the agency must provide the tools and staff needed to make consistent accessibility-related decisions. Both of these needs were addressed in fiscal year (FY) 2002. Emphasis has been placed on including policies, procedures, and actions on accessibility in agency unit reviews.

FY 2002 Performance

A Title VI managers meeting was conducted by the Civil Rights (CR) Staff to provide training on equitable program delivery and outlined complaint process resources to be used by units. In addition, the agency has continued to provide advice and counsel across deputy areas and field units on the processing of complaints and case status. The agency also continues to identify complaint trends and develop resources for use by units.

The May 2002 Conference for the Disability Program offered guidance to employees on Equal Employment Opportunity complaint and Alternate Dispute Resolution processes and program access, along with resources valuable to individuals with disabilities.

A contract was issued with Johnson and Johnson Associates (JJA) to develop an assessment tool to administer compliance reviews on regions, stations, and areas as outlined by the agency's 5-year compliance review plan. JJA consultants' reports will provide results-oriented findings with, recommendations for action plans. This process is designed to assist the USDA Forest Service in developing compliance strategies.

National forests improved more than 1,050 facilities and related programs in FY 2002. This work included a wide range of accessibility improvements, such as campgrounds, picnic tables, interpretive sites, trails and trailheads, boating and fishing access sites, cabins, shelters, informational materials, improved access for the hearing impaired, and an Access Guide for Incident Facilities. The total expenditure to complete all FY 2002 forest recreation accessibility improvements was $53,045,220.

An accessibility awareness training module was developed and distributed in both CD and transparency formats to staff at each level of the agency by the accessibility program coordinator. The total expenditure for this agencywide training module was $4 million.

The agency planned to develop a decision matrix on motorized mechanical uses for restricted areas. Through work with staffs on many levels of the agency, however, it was determined that a decision matrix would not be the most helpful tool. Instead, a policy was developed regarding motorized use in restricted areas. No additional funds were expended to meet this field-identified need.

Through coordination with the CR Staff, the compliance review process has been revised to include a component on accessibility. In addition, accessibility implementation is a part of all unit reviews.

Program Evaluations

Each region has reviewed its accessibility accomplishments and reported them to the national office. The results indicate a significant improvement in program and facility accessibility across the agency. Every region has increased the number of programs and facilities that are accessible. In addition, 80 percent of accessibility transition plans have been completed for existing facilities that are not now accessible.

The regional reviews have highlighted the need to standardize the information reporting formats in order to be able to access the total percent of facilities and programs that are accessible across the agency.

In August 2002, a CR delivery and employment programs compliance review was conducted on the Forest Products Laboratory by JJA consultants. Findings for the employment program were very comprehensive and recommendations will lead to improvements in the program. The assessment of program delivery found that the application of the broad standards of compliance used by NFS for most recipients of Federal funds does not meet the needs of the majority of research stations.

The USDA Forest Service provided a FY 2002 Information and Reporting Requirements report to the USDA and the Department of Justice indicating servicewide compliance reviews of federally assisted programs.

Conclusions and Challenges

Tools are needed to assist the field in the integration of accessibility. The necessary tools identified by the national forests and regions include accessibility guidelines for outdoor recreation areas, the integration of accessibility policy into the USDA Forest Service Manual, and a user-friendly guidebook that combines outdoor recreation accessibility guidelines with the agency's philosophy and policies regarding universal design. Partners have requested a tool to assist outfitters/guides under special use permit to integrate persons with disabilities into their programs, as is required by law. Each of these projects will be undertaken in FY 2003.

It is estimated that people made approximately 235 million visits to national forests in FY 2002. Only 17 program-related discrimination complaints are on record with the USDA Office of Civil Rights (OCR), of which 5 were new complaints in FY 2002. The USDA Forest Service continues to identify trends and barriers that are the root causes of complaints. OCR makes all final determinations in the cases.

The data shows an increase in discrimination complaints regarding access to recreation lands due to national origin, disabilities, or age. As a result, the USDA Forest Service has developed a National Recreation Accessibility Plan that strategically addressed access to agency programs and facilities. An off-highway vehicle use decision tool has been developed, which addresses the recurring issue of access to National Forest System lands.

Verification, Validation, and Limitations of Data Sources

In addition to the need for standardized reporting formats, information concerning the accessibility of programs and facilities should be integrated into the agency database system in order to have information readily available.

Data on discrimination complaints in the agency is tracked in USDA by the OCR, Program and Investigations Division, which periodically runs reports for the agency. The USDA Forest Service does not do any data entry or retrieval from this system; therefore, the validation of information is the responsibility of the OCR.

Appendix F—Report of the USDA Forest Service FY 2002 Program Details

Table 1. National Forest System lands administered by the USDA Forest Service as of September 30, 2002

State, Commonwealth, or territory	National forests, purchase units, research areas, and other areas *(acres)*	National grasslands *(acres)*	Land utilization projects *(acres)*	Total acres	National Wilderness Preservation System 1/ *(acres)*
Alabama	665,938		40	665,978	41,367
Alaska	21,982,084			21,982,084	5,753,336
Arizona	11,262,683			11,262,683	1,345,008
Arkansas	2,586,719			2,586,719	116,578
California	20,715,968	18,425		20,734,393	4,430,809
Colorado	13,849,376	635,541		14,484,917	3,125,918
Connecticut	24			24	0
Florida	1,152,914			1,152,914	74,495
Georgia	866,692			866,692	114,537
Hawaii	1			1	0
Idaho	20,417,240	47,790		20,465,030	3,961,608
Illinois	293,006			293,006	28,732
Indiana	202,523			202,523	12,945
Kansas	0	108,175		108,175	0
Kentucky	806,242			806,242	17,395
Louisiana	604,256			604,256	8,679
Maine	53,040			53,040	12,000
Michigan	2,864,569		2	2,864,571	91,891
Minnesota	2,838,981			2,838,981	809,772
Mississippi	1,169,260			1,169,260	6,046
Missouri	1,486,704			1,486,704	63,383
Montana	16,913,368			16,913,368	3,372,503
Nebraska	257,772	94,480		352,252	7,794
Nevada	5,835,259			5,835,259	787,085
New Hampshire	731,486			731,486	102,932
New Mexico	9,280,715	136,417	240	9,417,372	1,388,262
New York	16,211			16,211	0
North Carolina	1,248,150			1,248,150	102,634
North Dakota	743	1,105,234		1,105,977	0
Ohio	234,821			234,821	0
Oklahoma	351,323	46,286		397,609	14,543
Oregon	15,549,022	112,357	856	15,662,235	2,086,438
Pennsylvania	513,382			513,382	9,031
Puerto Rico	28,002			28,002	0
South Carolina	619,970			619,970	16,671
South Dakota	1,145,770	867,630		2,013,400	9,826
Tennessee	699,975			699,975	66,349
Texas	637,743	117,620		755,363	38,483
Utah	8,189,711			8,189,711	774,892
Vermont	386,495			386,495	59,421
Virgin Islands	147			147	0
Virginia	1,661,099			1,661,099	97,635
Washington	9,260,677		738	9,261,415	2,569,391
West Virginia	1,033,882			1,033,882	80,852
Wisconsin	1,525,358			1,525,358	42,294
Wyoming	8,688,467	549,219		9,237,686	3,111,232
Total	**188,627,768**	**3,839,174**	**1,876**	**192,468,818**	**34,752,767**

1/ Includes all changes to the Wilderness Preservation System through the 107th Congress. Amounts are included in total acres

Table 2. Extramural research funded through USDA Forest Service Research appropriations—fiscal years 2000-2002

Type of recipient	2002		2001		2000	
	Dollars in thousands	Number of grants	Dollars in thousands	Number of grants	Dollars in thousands	Number of grants
Domestic grantees						
Universities and colleges:						
Land Grant research institutions	10,921	316	13,988	416	10,107	388
1890 Land Grant and predominately Black institutions	190	6	291	7	453	11
Other non-Land Grant institutions	6,599	168	7,723	216	7,000	241
Subtotal, universities and colleges	17,710	490	22,002	639	17,560	640
Other domestic						
Profit organizations	269	7	249	7	88	4
Nonprofit institutions and organizations	987	45	1,123	51	1,734	52
Federal, State, and local governments	3,208	78	1,771	46	1,656	39
Private individuals	123	8	212	10	59	5
Small business innovation research	550	7	556	11	21	5
Industrial firms	175	4	0	0	32	2
Subtotal, other domestic	5,312	149	3,911	125	3,590	107
Total, domestic	23,022	639	25,913	764	21,150	747
Foreign grantees						
Universities and colleges	149	8	136	13	235	14
Profit and nonprofit institutions and organizations	255	15	110	10	212	12
Private individuals	119	1	85	7	67	8
Total, foreign grantees	523	24	331	30	514	34
Grand total	**23,545**	**663**	**26,244**	**794**	**21,664**	**781**

Table 3. Summary of forest stewardship plans and acres accomplished by State

State, Commonwealth, or Territory	2002		2001		Cumulative (1991-2002)	
	Plans[1]	Acres	Plans[1]	Acres	Plans[1]	Acres
Alabama	490	70,360	369	65,278	3,493	737,586
Alaska	33	74,348	40	32,509	837	3,186,261
American Samoa	55	23	37	32	392	1,513
Arizona	9	1,235	10	1,137	213	249,624
Arkansas	293	45,868	152	26,950	2,483	423,120
California	63	7,745	95	25,341	619	314,236
Colorado	102	15,019	57	16,988	1,982	500,961
CMI	1	5	5	14	6	19
Connecticut	37	3,072	23	7,059	412	50,453
Delaware	31	1,543	57	2,777	638	39,964
District of Columbia	0	0	0	0	0	0
Fed St of Micronesia	0	0	0	0	0	0
Florida	216	52,621	125	28,180	1,538	510,772
Georgia	310	97,538	249	53,709	3,131	924,109
Guam	5	200	3	332	219	2,001
Hawaii	5	3,790	33	7,186	96	21,687
Idaho	62	8,645	66	5,242	1,710	130,134
Illinois	4,916	145,001	2,983	93,532	19,068	623,021
Indiana	820	45,890	724	30,251	15,768	613,674
Iowa	256	16,290	369	18,331	8,207	301,632
Kansas	36	1,385	64	3,170	1,391	81,973
Kentucky	685	58,233	819	76,543	12,866	1,387,234
Louisiana	170	28,818	47	5,107	1,181	126,954
Maine	209	22,654	603	65,101	5,460	571,412
Marshall Islands	0	0	0	0	0	0
Maryland	458	15,629	598	20,535	5,415	272,589
Massachusetts	89	6,087	91	5,841	2,840	247,355
Michigan	128	20,610	202	29,439	3,544	481,690
Minnesota	593	62,694	680	75,418	11,076	1,100,460
Mississippi	75	17,011	70	14,026	938	206,355
Missouri	99	16,550	80	13,553	2,860	399,358
Montana	68	38,492	63	24,777	1,031	548,407
Nebraska	57	8,052	37	4,353	1,279	82,145
Nevada	28	287	19	3,626	237	87,026
New Hampshire	36	9,626	94	15,336	2,370	465,185
New Jersey	46	10,287	64	4,458	670	79,780
New Mexico	45	62,524	38	118,286	453	480,499
New York	665	69,182	668	80,198	15,776	1,469,729
North Carolina	399	52,188	489	49,157	2,837	403,438
North Dakota	102	3,811	152	5,053	1,682	81,643
Ohio	697	37,655	888	42,166	15,107	727,827
Oklahoma	119	19,872	71	12,798	1,100	261,599
Oregon	74	23,620	43	17,478	1,311	341,086
Palau	0	0	0	0	3	76
Pennsylvania	147	26,873	114	23,699	2,110	342,837
Puerto Rico	18	2,260	31	1,020	99	5,898
Rhode Island	9	945	18	889	336	15,546

Table 3. Summary of forest stewardship plans and acres accomplished by State

State, Commonwealth, or Territory (continued)	2002		2001		Cumulative (1991-2002)	
	Plans[1]	Acres	Plans[1]	Acres	Plans[1]	Acres
South Carolina	246	50,515	238	63,717	3,016	785,734
South Dakota	18	397	7	797	1,006	40,831
Tennessee	148	19,430	197	35,888	2,245	385,802
Texas	335	52,753	292	43,394	2,956	663,651
U.S. Virgin Islands	1	5	7	543	32	1,154
Utah	2	2,531	7	30,331	103	233,335
Vermont	18	2,212	49	10,113	1,932	289,276
Virginia	45	8,794	348	56,559	5,968	916,919
Washington	412	34,560	250	20,037	3,936	297,333
West Virginia	226	33,364	239	37,628	3,766	576,644
Wisconsin	3,678	202,796	3,326	184,043	35,533	1,839,257
Wyoming	217	27,928	185	7,061	1,723	162,688
Total	**18,102**	**1,639,823**	**16,585**	**1,616,986**	**217,000**	**25,091,492**

[1] Landowner forest stewardship plans.

Table 4. Roads decommissioned, reconstructed, and constructed by the USDA Forest Service—FY 2002 [1]

Region	Decommissioned (miles)	Reconstruction (miles)	Construction (miles)
Northern (R-1)	233.0	2,354.1	13.0
Rocky Mountain (R-2)	125.2	659.6	15.8
Southwestern (R-3)	162.9	118.4	0.6
Intermountain (R-4)	148.4	244.1	3.7
Pacific Southwest (R-5)	113.5	309.7	7.0
Pacific Northwest (R-6)	153.6	2,593.0	11.1
Southern (R-8)	67.9	1,107.0	6.2
Eastern (R-9)	64.0	346.8	13.2
Alaska (R-10)	13.2	124.0	18.5
Total	**1,081.7**	**7,856.7**	**89.1**

[1] Reconstruction and construction miles accomplished are from Capital Improvement and Maintenance Appropriation, Deferred Maintenance Funds, Purchaser Election inventory revisions, new construction, and Non-USDA Forest Service funds. Decommissioned miles are regardless of funding source.

Table 5. Reforestation needs as of October 1, 2002, by State, national forest, and site productivity class [1/]

State, Commonwealth, or territory [2/]	Acres by site productivity class [3/]				
National Forest (NF)	0-49	50-84	85-119	120+	Total acres
Alabama					
NFs in Alabama (subtotal)	245	2,141	6,504	110	9,000
Alaska					
Chugach	0	2,435	0	0	2,435
Tongass	252	1,168	4,197	10,785	16,402
Subtotal	252	3,603	4,197	10,785	18,837
Arizona					
Apache-Sitgreaves	3,959	1,600	197	0	5,756
Coconino	3,812	3,076	0	0	6,888
Coronado	8	0	0	0	8
Kaibab	3,231	1,236	4	0	4,471
Prescott	89	84	0	0	173
Tonto	1,688	187	0	0	1,875
Subtotal	12,787	6,183	201	0	19,171
Arkansas					
Ouachita	180	3,148	7,705	1,206	12,239
Ozark-St. Francis	1,258	9,107	4	153	10,522
Subtotal	1,438	12,255	7,709	1,359	22,761
California					
Angeles	324	841	359	7	1,531
Cleveland	0	87	0	0	87
Eldorado	0	0	320	858	1,178
Humboldt-Toiyabe	23	25	0	0	48
Inyo	60	358	0	0	418
Klamath	238	1,182	889	924	3,233
Lake Tahoe Basin	0	47	727	443	1,217
Lassen	37	4,435	1,262	770	6,504
Los Padres	0	0	15	0	15
Mendocino	77	1,008	446	416	1,947
Modoc	0	2,850	2,424	66	5,340
Plumas	0	280	3,885	1,397	5,562
Rogue River	0	39	0	0	39
San Bernardino	346	389	29	0	764
Sequoia	52	150	978	1,303	2,483
Shasta-Trinity	0	97	125	606	828
Sierra	0	87	569	1,358	2,014
Siskiyou	0	0	0	0	0
Six Rivers	0	3	423	887	1,313
Stanislaus	1,044	9,189	15,311	5,419	30,963
Tahoe	74	239	6,904	1,549	8,766
Subtotal	2,275	21,306	34,666	16,003	74,250

Table 5. Reforestation needs as of October 1, 2002, by State, national forest, and site productivity class [1/]

State, Commonwealth, or territory [2/]	Acres by site productivity class [3/]				
National Forest (NF)	0-49	50-84	85-119	120+	Total acres
Colorado					
Arapaho and Roosevelt	7,830	438	0	0	8,268
Grand Mesa, Uncompahgre and Gunnison	6,090	2,020	156	0	8,266
Manti-La Sal	0	0	0	0	0
Medicine Bow and Routt	2,391	1,760	274	0	4,425
Pike and San Isabel	2,941	608	0	0	3,549
Rio Grande	1,186	538	151	0	1,875
San Juan	2,240	1,941	264	0	4,445
White River	734	130	113	8	985
Subtotal	23,412	7,435	958	8	31,813
Florida					
NFs in Florida (subtotal)	970	433	221	434	2,058
Georgia					
Chattahoochee - Oconee (subtotal	0	4	8,492	1,828	10,324
Idaho					
Boise	4,491	27,268	6,997	2,306	41,062
Caribou-Targhee	500	5,082	39	56	5,677
Clearwater	1,379	388	677	1,072	3,516
Idaho Panhandle	3,292	1,869	3,420	1,679	10,260
Kootenai	0	0	18	0	18
Nez Perce	423	283	1,682	573	2,961
Payette	434	0	1,141	0	1,575
Salmon-Challis	5,128	306	0	0	5,434
Sawtooth	314	253	53	0	620
Subtotal	15,961	35,449	14,027	5,686	71,123
Illinois					
Shawnee (subtotal)	0	0	0	400	400
Indiana					
Hoosier (subtotal)	0	1,033	82	110	1,225
Kentucky					
Daniel Boone (subtotal)	0	56,811	64,881	628	122,320
Louisiana					
Kisatchie (subtotal)	0	13	114	101	228
Maine					
White Mountain (subtotal)	126	110	68	24	328
Michigan					
Hiawatha	6,155	5,386	1,035	23	12,599
Huron-Manistee	6,351	4,062	296	0	10,709
Ottawa	1,407	11,937	3,442	148	16,934
Subtotal	13,913	21,385	4,773	171	40,242

Table 5. Reforestation needs as of October 1, 2002, by State, national forest, and site productivity class [1/]

State, Commonwealth, or territory [2/]	Acres by site productivity class [3/]				
National Forest (NF)	0-49	50-84	85-119	120+	Total acres
Minnesota					
Chippewa	115	238	392	22	767
Superior	1,183	43	696	86	2,008
Subtotal	1,298	281	1,088	108	2,775
Mississippi					
NFs in Mississippi (subtotal)	72	111	210	615	1,008
Missouri					
Mark Twain (subtotal)	894	15,957	62	17	16,930
Montana					
Beaverhead - Deerlodge	1,632	253	51	0	1,936
Bitterroot	34,098	14,305	6,661	772	55,836
Custer	19,768	827	10	0	20,605
Flathead	532	822	1,055	4	2,413
Gallatin	571	319	0	0	890
Helena	3,185	857	0	0	4,042
Kootenai	3,151	4,252	3,764	673	11,840
Lewis and Clark	548	62	15	0	625
Lolo	4,755	1,971	1,228	70	8,024
Subtotal	68,240	23,668	12,784	1,519	106,211
Nebraska					
Nebraska (subtotal)	0	0	0	0	0
Nevada					
Humboldt-Toiyabe	0	68	0	0	68
Inyo	0	0	0	0	0
Lake Tahoe Basin	0	0	2	623	625
Subtotal	0	68	2	623	693
New Hampshire					
White Mountain (subtotal)	1,848	6,299	3,420	1,147	12,714
New Mexico					
Carson	2,359	750	30	0	3,139
Cibola	0	0	0	0	0
Gila	1,288	803	62	0	2,153
Lincoln	9,495	5,247	71	0	14,813
Santa Fe	21,285	5,179	20	0	26,484
Subtotal	34,427	11,979	183	0	46,589
New York					
Green Mountain (subtotal)	2	0	11	8	21
North Carolina					
NFs in North Carolina (subtotal)	470	1,789	49	178	2,486
Ohio					
Wayne (subtotal)	140	76	770	1,381	2,367

Table 5. Reforestation needs as of October 1, 2002, by State, national forest, and site productivity class [1/]

State, Commonwealth, or territory [2/]	Acres by site productivity class [3/]				
National Forest (NF)	0-49	50-84	85-119	120+	Total acres
Oklahoma					
Ouachita (subtotal)	221	272	11	284	788
Oregon					
Deschutes	11,648	380	43	0	12,071
Fremont	33,569	12,699	1,010	0	47,278
Klamath	0	0	20	38	58
Malheur	810	1,711	0	0	2,521
Mt. Hood	0	1,421	271	151	1,843
Ochoco	1,255	3,405	70	0	4,730
Rogue River	0	975	621	0	1,596
Siskiyou	57	39	191	135	422
Siuslaw	0	0	0	360	360
Umatilla	397	2,092	2,226	0	4,715
Umpqua	68	93	5,419	95	5,675
Wallowa-Whitman	260	3,174	256	30	3,720
Willamette	48	229	197	2,337	2,811
Winema	1,088	1,225	1,256	0	3,569
Subtotal	49,200	27,443	11,580	3,146	91,369
Pennsylvania					
Allegheny (subtotal)	358	3,436	2,370	525	6,689
Puerto Rico					
Caribbean (subtotal)	0	0	41	118	159
South Carolina					
Francis Marion and Sumter (subtotal)	0	0	57	50	107
South Dakota					
Black Hills (subtotal)	30,342	5,279	0	22	35,643
Tennessee					
Cherokee (subtotal)	1	153	515	2,777	3,446
Texas					
NFs in Texas (subtotal)	0	787	11	144	942
Utah					
Ashley	6,507	0	0	0	6,507
Dixie	9,914	1,047	0	0	10,961
Fishlake	155	769	5	0	929
Manti-La Sal	21	2,065	19	0	2,105
Uinta	0	41	241	0	282
Wasatch-Cache	301	187	84	15	587
Subtotal	16,898	4,109	349	15	21,371
Vermont					
Green Mountain (subtotal)	11	1,038	283	107	1,439

Table 5. Reforestation needs as of October 1, 2002, by State, national forest, and site productivity class [1/]

State, Commonwealth, or territory [2/]	Acres by site productivity class [3/]				
National Forest (NF)	0-49	50-84	85-119	120+	Total acres
Virginia					
George Washington and Jefferson (subtotal)	1,016	4,037	471	569	6,093
Washington					
Colville	655	859	466	144	2,124
Gifford Pinchot	0	93	172	158	423
Idaho Panhandle	308	4	268	43	623
Mt. Baker-Snoqualmie	0	163	130	147	440
Okanogan	3,261	20	995	0	4,276
Olympic	0	0	0	0	0
Umatilla	14	13	0	14	41
Wenatchee	25	12,415	252	5,003	17,695
Subtotal	4,263	13,567	2,283	5,509	25,622
West Virginia					
George Washington and Jefferson	142	0	10	149	301
Monongahela	40	182	442	371	1,035
Subtotal	182	182	452	520	1,336
Wisconsin					
Chequamegon-Nicolet (subtotal)	1,353	3,221	1,336	373	6,283
Wyoming					
Bighorn	1,378	89	0	0	1,467
Black Hills	10,962	6,548	38	0	17,548
Bridger-Teton	0	0	647	0	647
Caribou-Targhee	0	0	0	0	0
Medicine Bow and Routt	2,268	321	0	0	2,589
Shoshone	170	275	4	0	449
Wasatch-Cache	58	0	0	0	58
Subtotal	14,836	7,233	689	0	22,758
Total	**297,451**	**299,146**	**185,920**	**57,402**	**839,919**

[1/] Data source is Reforestation & TSI Needs Report (2400-K) Table 1. This information is required by the National Forest Management Act of 1976, Sec. 4(d)1.

[2/] Unlisted States had no reforestation needs as of October 1, 2002.

[3/] Site productivity class refers to the amount of wood produced in cubic feet per acre per year in a natural, unmanaged stand.

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—fiscal year 2002 [1/]

State, Commonwealth, or territory [2/]	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
National Forest (NF)	Planted	Seeded	With site preparation [3/]	Without site preparation [3/]	Total	Cleaning	Release	Precommercial Thinning	Fertilization	Pruning	Total
	(Acres)					(Acres)					
Alabama											
NFs in Alabama (subtotal)	887	0	0	129	1,016	0	1,059	0	0	0	1059
Alaska											
Chugach	0	0	0	0	0	0	0	0	0	0	0
Tongass	448	0	0	2,833	3,281	0	0	2,979	0	224	3,203
Subtotal	448	0	0	2,833	3,281	0	0	2,979	0	224	3,203
Arizona											
Apache-Sitgreaves	0	0	0	0	0	0	0	904	0	0	904
Coconino	0	0	0	0	0	0	0	0	0	0	0
Coronado	0	0	0	0	0	0	0	0	0	0	0
Kaibab	0	0	0	0	0	0	0	0	0	0	0
Prescott	0	0	0	0	0	0	0	0	0	0	0
Tonto	177	0	0	0	177	0	0	0	0	0	0
Subtotal	177	0	0	0	177	0	0	904	0	0	904
Arkansas											
Ouachita	856	74	5,106	0	6,036	0	5,004	899	0	0	5,903
Ozark-St. Francis	313	0	1,104	0	1,417	0	2,120	123	0	0	2,243
Subtotal	1,169	74	6,210	0	7,453	0	7,124	1,022	0	0	8,146
California											
Angeles	89	0	0	0	89	0	536	566	0	203	1,305
Cleveland	0	0	0	0	0	0	0	0	0	0	0
Eldorado	0	0	0	0	0	0	1,055	680	0	229	1,964
Humboldt-Toiyabe	0	0	0	0	0	0	0	0	0	0	0
Inyo	22	0	0	0	22	0	0	1,200	0	0	1,200
Klamath	897	0	7	21	925	0	1,380	2,751	0	0	4,131
Lake Tahoe Basin	0	0	0	0	0	0	0	34	0	0	34
Lassen	531	0	0	0	531	0	0	696	0	15	711
Los Padres	0	0	0	0	0	0	18	15	0	55	88
Mendocino	989	0	0	0	989	0	0	243	0	0	243
Modoc	0	0	0	0	0	0	133	2,450	0	0	2,583
Plumas	0	0	0	0	0	0	349	3,529	0	0	3,878
Rogue River	50	0	0	0	50	0	0	0	0	0	0
San Bernardino	0	0	0	0	0	0	136	0	10	20	166
Sequoia	0	0	0	0	0	0	2,141	906	0	82	3,129
Shasta-Trinity	567	0	0	0	567	0	1,977	3,444	0	465	5,886
Sierra	37	0	0	0	37	0	1,588	1,689	0	0	3,277

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—fiscal year 2002 [1/]

State, Commonwealth, or territory [2/]	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
	Planted	Seeded	With site preparation [3/]	Without site preparation [3/]	Total	Cleaning	Release	Precommercial Thinning	Fertilization	Pruning	Total
National Forest (NF)	(Acres)					(Acres)					
California (continued)											
Siskiyou	0	0	0	0	0	0	0	0	0	0	0
Six Rivers	0	0	0	0	0	0	681	764	0	0	1,445
Stanislaus	0	0	0	0	0	0	4,028	0	0	0	4,028
Tahoe	1,468	0	0	51	1,519	0	1,606	2,333	0	0	3,939
Subtotal	4,650	0	7	72	4,729	0	15,628	21,300	10	1,069	38,007
Colorado											
Arapaho and Roosevelt	166	0	207	25	398	0	0	0	0	0	0
Grand Mesa, Uncompahgre and Gunnison	0	0	173	254	427	0	0	0	0	0	0
Manti-La Sal	0	0	0	0	0	0	0	259	0	0	259
Medicine Bow and Routt	76	0	205	1,038	1,319	0	0	0	0	0	0
Pike and San Isabel	0	0	0	15	15	0	0	0	0	0	0
Rio Grande	0	0	0	0	0	0	0	0	0	0	0
San Juan	55	0	0	397	452	0	0	695	0	0	695
White River	189	0	0	247	436	0	0	0	0	0	0
Subtotal	486	0	585	1,976	3,047	0	0	954	0	0	954
Florida											
NFs in Florida (subtotal)	1,882	1,450	0	0	3,332	0	208	0	0	0	208
Georgia											
Chattahoochee-Oconee (subtotal)	423	0	0	0	423	0	0	250	0	0	250
Idaho											
Boise	539	0	0	540	1,079	0	702	2,028	0	0	2,730
Caribou-Targhee	146	0	15	0	161	0	0	307	0	0	307
Clearwater	1,444	0	10	30	1,484	0	23	0	0	132	155
Idaho Panhandle	6,318	0	69	66	6,453	0	864	2,918	61	2,597	6,440
Kootenai	0	0	0	0	0	0	0	0	0	0	0
Nez Perce	1,887	0	40	22	1,949	0	0	168	0	0	168
Payette	1,783	0	89	0	1,872	0	0	371	0	0	371
Salmon-Challis	71	0	24	40	135	0	0	0	0	0	0
Sawtooth	0	0	0	0	0	0	0	0	0	0	0
Subtotal	12,188	0	247	698	13,133	0	1,589	5,792	61	2,729	10,171
Illinois											
Shawnee (subtotal)	0	0	0	0	0	0	0	0	0	0	0

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—fiscal year 2002 [1]

State, Commonwealth, or territory [2]	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
National Forest (NF)	Planted	Seeded	With site preparation [3]	Without site preparation [3]	Total	Cleaning	Release	Precommercial Thinning	Fertilization	Pruning	Total
	(Acres)					(Acres)					
Indiana											
Hoosier (subtotal)	0	0	0	0	0	0	0	0	0	0	0
Kentucky											
Daniel Boone (subtotal)	108	0	0	0	108	0	0	0	0	0	0
Louisiana											
Kisatchie (subtotal)	566	0	0	0	566	0	0	0	0	0	0
Maine											
White Mountain (subtotal)	0	0	0	0	0	0	0	0	0	0	0
Michigan											
Hiawatha	1,371	463	956	1,890	4,680	0	1,170	24	0	69	1,263
Huron-Manistee	707	71	1,105	341	2,224	0	177	31	0	0	208
Ottawa	776	0	2,880	6,272	9,928	0	0	0	0	0	0
Subtotal	2,854	534	4,941	8,503	16,832	0	1,347	55	0	69	1,471
Minnesota											
Chippewa	98	0	360	0	458	0	485	0	0	130	615
Superior	1,734	41	195	6,325	8,655	0	2,638	0	0	238	2,876
Subtotal	1,832	41	555	6,325	8,753	0	3,123	0	0	368	3,491
Mississippi											
NFs in Mississippi (subtotal)	3,381	0	330	0	3,711	0	2,704	825	0	0	3,529
Missouri											
Mark Twain (subtotal)	0	0	3,387	0	3,387	0	0	0	0	0	0
Montana											
Beaverhead-Deerlodge	117	0	591	226	934	0	0	218	0	0	218
Bitterroot	824	0	0	789	1,613	0	0	0	0	0	0
Custer	199	0	233	235	667	0	0	0	0	0	0
Flathead	1,574	0	239	17	1,830	0	0	1,051	0	61	1,112
Gallatin	346	0	97	44	487	0	0	0	0	0	0
Helena	32	0	441	31	504	0	0	0	0	0	0
Kootenai	5,841	0	573	90	6,504	0	0	2,169	0	285	2,454
Lewis and Clark	530	0	178	121	829	0	0	165	0	0	165
Lolo	2,408	0	1,248	513	4,169	0	22	691	0	0	713
Subtotal	11,871	0	3,600	2,066	17,537	0	22	4,294	0	346	4,662
Nebraska											
Nebraska (subtotal)	0	0	0	0	0	0	0	0	0	0	0

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—fiscal year 2002 [1]

State, Commonwealth, or territory [2]	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
	Planted	Seeded	With site preparation [3]	Without site preparation [3]	Total	Cleaning	Release	Precommercial Thinning	Fertilization	Pruning	Total
National Forest (NF)	*(Acres)*					*(Acres)*					
Nevada											
Humboldt-Toiyabe	0	0	0	0	0	0	0	0	0	0	0
Inyo	0	0	0	0	0	0	0	0	0	0	0
Lake Tahoe Basin	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0
New Hampshire											
White Mountain (subtotal)	0	0	472	2,059	2,531	0	41	0	0	0	41
New Mexico											
Carson	452	0	0	272	724	0	0	0	0	0	0
Cibola	120	0	0	17	137	0	0	0	0	0	0
Gila	0	0	0	0	0	0	0	0	0	0	0
Lincoln	0	0	0	0	0	0	0	0	0	0	0
Santa Fe	0	0	0	0	0	0	0	0	0	0	0
Subtotal	572	0	0	289	861	0	0	0	0	0	0
New York											
Green Mountain (subtotal)	0	0	0	0	0	0	0	0	0	0	0
North Carolina											
NFs in North Carolina (subtotal)	460	0	1,069	0	1,529	0	1,382	0	81	0	1,463
Ohio											
Wayne (subtotal)	85	0	0	0	85	0	0	0	0	0	0
Oklahoma											
Ouachita (subtotal)	31	0	240	0	271	0	0	0	0	0	0
Oregon											
Deschutes	1,989	0	464	1,415	3,868	0	0	0	0	0	0
Fremont	5,044	0	1,672	1,000	7,716	0	0	1,406	0	0	1,406
Klamath	23	0	0	0	23	0	41	0	0	0	41
Malheur	1,372	0	480	49	1,901	0	0	2,612	0	0	2,612
Mt. Hood	928	0	0	0	928	0	0	961	0	7	968
Ochoco	1,335	0	0	242	1,577	0	0	1,135	0	0	1,135
Rogue River	315	0	0	0	315	0	0	0	0	0	0
Siskiyou	0	0	0	0	0	0	128	157	0	0	285
Siuslaw	0	0	0	0	0	0	0	0	0	0	0
Umatilla	2,060	0	4	828	2,892	0	0	0	0	0	0
Umpqua	451	0	0	0	451	0	0	716	0	0	716
Wallowa-Whitman	2,842	103	700	884	4,529	0	0	1,652	0	0	1,652

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—fiscal year 2002 [1]

State, Commonwealth, or territory [2]	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
	Planted	Seeded	With site preparation [3]	Without site preparation [3]	Total	Cleaning	Release	Precommercial Thinning	Fertilization	Pruning	Total
National Forest (NF)	(Acres)					(Acres)					
Oregon (Continued)											
Willamette	933	0	0	530	1,463	0	88	3,628	2,138	909	6,763
Winema	0	0	0	0	0	0	0	0	0	0	0
Subtotal	17,292	103	3,320	4,948	25,663	0	257	12,267	2,138	916	15,578
Pennsylvania											
Allegheny (subtotal)	0	0	514	7	521	0	160	0	0	0	160
Puerto Rico											
Caribbean (subtotal)	0	0	0	0	0	0	0	0	0	0	0
South Carolina											
Francis Marion and Sumter (subtotal)	237	0	0	0	237	0	1,776	142	493	0	2,411
South Dakota											
Black Hills (subtotal)	0	0	0	4,612	4,612	0	0	2,303	0	0	2,303
Tennessee											
Cherokee (subtotal)	209	0	269	0	478	0	636	0	0	0	636
Texas											
NFs in Texas (subtotal)	200	0	724	827	1,751	0	319	172	0	0	491
Utah											
Ashley	0	0	0	2,562	2,562	0	0	450	0	0	450
Dixie	418	0	515	0	933	0	0	1,741	0	0	1,741
Fishlake	59	0	0	0	59	0	0	0	0	0	0
Manti-La Sal	0	0	0	0	0	0	0	87	0	0	87
Uinta	0	0	0	0	0	0	0	0	0	0	0
Wasatch-Cache	0	0	44	897	941	0	0	0	0	0	0
Subtotal	477	0	559	3,459	4,495	0	0	2,278	0	0	2,278
Vermont											
Green Mountain (subtotal)	0	0	293	0	293	0	52	0	0	0	52
Virginia											
George Washington and Jefferson (subtotal)	9	0	1,127	113	1,249	0	681	156	0	0	837
Washington											
Colville	1,001	0	95	403	1,499	0	0	402	0	0	402
Gifford Pinchot	0	0	0	0	0	0	45	956	0	0	1,001
Idaho Panhandle	154	0	0	0	154	0	0	0	0	94	94
Mt. Baker-Snoqualmie	100	0	0	0	100	0	0	0	0	0	0

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—fiscal year 2002 [1/]

State, Commonwealth, or territory [2/]	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
	Planted	Seeded	With site preparation [3/]	Without site preparation [3/]	Total	Cleaning	Release	Precommercial Thinning	Fertilization	Pruning	Total
National Forest (NF)	(Acres)					(Acres)					
Washington (Continued)											
Okanogan	879	0	0	1,133	2,012	0	0	2,070	0	149	2,219
Olympic	0	0	0	0	0	0	0	3,505	1,794	87	5,386
Umatilla	882	0	51	473	1,406	0	0	348	0	0	348
Wenatchee	429	0	66	6,523	7,018	0	0	223	0	158	381
Subtotal	3,445	0	212	8,532	12,189	0	45	7,504	1,794	488	9,831
West Virginia											
George Washington and Jefferson	0	0	158	0	158	0	0	199	0	0	199
Monongahela	106	0	653	214	973	0	570	0	0	0	570
Subtotal	106	0	811	214	1,131	0	570	199	0	0	769
Wisconsin											
Chequamegon-Nicolet (subtotal)	906	191	4,672	3,749	9,518	0	37	0	0	343	380
Wyoming											
Bighorn	0	0	0	0	0	0	0	0	0	0	0
Black Hills	0	0	0	1,675	1,675	0	0	0	0	0	0
Bridger-Teton	329	0	111	0	440	0	0	0	0	0	0
Caribou-Targhee	0	0	0	0	0	0	0	0	0	0	0
Medicine Bow and Routt	83	90	95	466	734	0	0	894	0	0	894
Shoshone	880	42	0	131	1,053	0	0	0	0	0	0
Wasatch-Cache	0	0	0	402	402	0	0	0	0	0	0
Subtotal	1,292	132	206	2,674	4,304	0	0	894	0	0	894
Total	**68,243**	**2,525**	**34,350**	**54,085**	**159,203**	**0**	**38,760**	**64,290**	**4,577**	**6,552**	**114,179**

[1/] Data source is Reforestation & TSI Needs Report (2400-K) Table 21. This information is required by the National Forest Management Act of 1976, Sec. 4d(1).
[2/] Unlisted States had no reforestation or timber stand improvement certification as of October 1, 2002.
[3/] Site productivity class refers to the amount of wood produced in cubic feet per acre per year in a natural, unmanaged stand.

Table 7. Certification of reforestation and timber stand improvement acreages by region—fiscal year 2002 [1/]

Region	Reforestation					Timber stand improvement					
	Artificial regeneration		Natural regeneration								
	Planted	Seeded	With site preparation [2/]	Without site preparation [2/]	Total	Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	(Acres)					*(Acres)*					
Northern (R-1)	21,674	0	3,719	2,184	27,577	0	909	7,380	61	3,169	11,519
Rocky Mountain (R-2)	1,449	132	680	8,860	11,121	0	0	3,892	0	0	3,892
Southwestern (R-3)	749	0	0	289	1,038	0	0	904	0	0	904
Intermountain (R-4)	3,345	0	798	4,441	8,584	0	702	5,243	0	0	5,945
Pacific Southwest (R-5)	4,623	0	7	72	4,702	0	15,669	21,300	10	1,069	38,048
Pacific Northwest (R-6)	20,610	103	3,532	13,480	37,725	0	261	19,771	3,932	1,310	25,274
Southern (R-8)	9,562	1,524	10,127	1,069	22,282	0	15,889	2,766	574	0	19,229
Eastern (R-9)	5,783	766	15,487	20,857	42,893	0	5,330	55	0	780	6,165
Alaska (R-10)	448	0	0	2,833	3,281	0	0	2,979	0	224	3,203
Total	**68,243**	**2,525**	**34,350**	**54,085**	**159,203**	**0**	**38,760**	**64,290**	**4,577**	**6,552**	**114,179**

1/ Data source is Reforestation & TSI Needs Report (2400-K) Table 21. This information is required by the National Forest Management Act of 1976, Sec. 4d(1).
2/ Site productivity class refers to the amount of wood produced in cubic feet per acre per year in a natural, unmanaged stand.

Table 8. Timber stand improvement needs as of October 1, 2002, by State, national forest, cubic foot productivity class, and type of treatment [1/]

State, Commonwealth, or territory [2/]	Cubic foot productivity classes [3/]					Release	Thinning	Fertilization	Pruning
National Forest (NF)	0-49	50-84	85-119	120+	Total acres	subtotal	subtotal	subtotal	subtotal
Alabama									
NFs in Alabama (subtotal)	592	3,761	2,447	384	7,184	5,503	1,681	0	0
Alaska									
Chugach	0	13	374	0	387	13	374	0	0
Tongass	1,435	677	3,933	21,290	27,335	150	26,759	0	426
Subtotal	1,435	690	4,307	21,290	27,722	163	27,133	0	426
Arizona									
Apache-Sitgreaves	17,750	3,168	112	0	21,030	144	20,886	0	0
Coconino	13,352	1,837	0	0	15,189	1,560	13,629	0	0
Coronado	6	64	0	0	70	0	70	0	0
Kaibab	19,287	13,393	999	0	33,679	0	33,679	0	0
Prescott	56	0	0	0	56	56	0	0	0
Tonto	6,070	1,787	31	0	7,888	7,343	545	0	0
Subtotal	56,521	20,249	1,142	0	77,912	9,103	68,809	0	0
Arkansas									
Ouachita	27	2,473	3,115	539	6,154	3,136	3,018	0	0
Ozark-St. Francis	60	5,823	397	101	6,381	1,016	5,365	0	0
Subtotal	87	8,296	3,512	640	12,535	4,152	8,383	0	0
California									
Angeles	554	1,217	542	0	2,313	1,157	549	0	607
Cleveland	0	687	0	0	687	422	181	0	84
Eldorado	0	99	2,011	9,045	11,155	6,922	3,609	0	624
Humboldt-Toiyabe	682	1,213	30	90	2,015	0	2,015	0	0
Inyo	0	647	0	0	647	19	628	0	0
Klamath	1,060	16,868	18,251	12,804	48,983	16,009	32,929	36	9
Lake Tahoe Basin	800	2,329	2,962	369	6,460	3,635	2,825	0	0
Lassen	3,168	19,842	17,799	4,628	45,437	3,211	42,226	0	0
Los Padres	0	209	30	0	239	143	71	0	25
Mendocino	122	13,950	9,251	20,787	44,110	18,979	21,899	3,229	3
Modoc	52	10,812	4,473	499	15,836	8,258	6,836	727	15
Plumas	8	2,695	11,701	9,121	23,525	5,280	18,245	0	0
Rogue River	0	107	0	0	107	107	0	0	0
San Bernardino	246	2,526	92	66	2,930	1,195	1,700	0	35
Sequoia	156	1,310	4,046	9,899	15,411	6,588	7,753	672	398
Shasta-Trinity	327	13,622	14,440	12,492	40,881	11,006	28,755	0	1,120
Sierra	117	1,469	7,566	13,267	22,419	9,767	12,226	0	426
Siskiyou	0	0	1,534	0	1,534	680	655	199	0
Six Rivers	0	144	3,828	9,659	13,631	8,337	5,294	0	0
Stanislaus	65	6,497	21,356	7,794	35,712	26,040	9,672	0	0
Tahoe	6,689	9,294	49,781	20,362	86,126	42,992	42,829	275	30
Subtotal	14,046	105,537	169,693	130,882	420,158	170,747	240,897	5,138	3,376
Colorado									
Arapaho and Roosevelt	5,248	162	0	0	5,410	922	4,488	0	0
Grand Mesa, Uncompahgre and Gunnison	3,567	344	0	0	3,911	600	3,311	0	0

Table 8. Timber stand improvement needs as of October 1, 2002, by State, national forest, cubic foot productivity class, and type of treatment [1/]

State, Commonwealth, or territory [2/] / National Forest (NF)	Cubic foot productivity classes [3/]					Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+	Total acres				
Colorado (continued)									
Manti-La Sal	10	114	95	0	219	0	219	0	0
Medicine Bow and Routt	8,098	1,682	50	0	9,830	2,791	7,039	0	0
Pike and San Isabel	2,032	590	0	0	2,622	1,918	704	0	0
Rio Grande	379	208	0	0	587	413	174	0	0
San Juan	1,827	1,064	0	0	2,891	2,721	170	0	0
White River	167	1,397	354	0	1,918	1,515	403	0	0
Subtotal	21,328	5,561	499	0	27,388	10,880	16,508	0	0
Florida									
NFs in Florida (subtotal)	788	924	464	41	2,217	965	192	1,060	0
Georgia									
Chattahoochee-Oconee (subtotal)	0	322	4,423	2,581	7,326	2,032	4,194	1,100	0
Idaho									
Boise	1,899	7,175	6,569	1,523	17,166	1,659	15,507	0	0
Caribou-Targhee	3,499	5,426	47	0	8,972	23	8,949	0	0
Clearwater	1,870	869	1,694	3,552	7,985	431	5,670	0	1,884
Idaho Panhandle	46,999	11,158	57,074	48,811	164,042	6,587	113,144	2,044	42,267
Kootenai	36	6	26	35	103	0	103	0	0
Nez Perce	837	1,447	6,348	4,141	12,773	461	12,312	0	0
Payette	387	762	2,610	39	3,798	1,142	2,656	0	0
Salmon-Challis	11,827	964	0	0	12,791	9,475	3,316	0	0
Sawtooth	568	41	0	0	609	152	457	0	0
Subtotal	67,922	27,848	74,368	58,101	228,239	19,930	162,114	2,044	44,151
Illinois									
Shawnee (subtotal)	0	50	453	0	503	450	0	0	53
Indiana									
Hoosier (subtotal)	0	805	150	0	955	955	0	0	0
Kentucky									
Daniel Boone (subtotal)	24	0	2,735	364	3,123	376	2,715	0	32
Louisiana									
Kisatchie (subtotal)	0	1,402	3,873	4,098	9,373	5,622	3,751	0	0
Maine									
White Mountain (subtotal)	6	36	15	13	70	11	59	0	0
Michigan									
Hiawatha	738	4,473	3,147	0	8,358	2,785	611	0	4,962
Huron-Manistee	1,201	1,866	286	0	3,353	695	2,599	0	59
Ottawa	48	190	148	41	427	427	0	0	0
Subtotal	1,987	6,529	3,581	41	12,138	3,907	3,210	0	5,021
Minnesota									
Chippewa	698	8,045	3,270	119	12,132	1,632	0	0	10,500
Superior	1,746	0	0	0	1,746	1,746	0	0	0
Subtotal	2,444	8,045	3,270	119	13,878	3,378	0	0	10,500
Mississippi									
NFs in Mississippi (subtotal)	366	333	6,439	2,741	9,879	8,149	1,452	278	0

Table 8. Timber stand improvement needs as of October 1, 2002, by State, national forest, cubic foot productivity class, and type of treatment [1/]

State, Commonwealth, or territory [2/] / National Forest (NF)	Cubic foot productivity classes [3/]					Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+	Total acres				
Missouri									
Mark Twain (subtotal)	0	10,533	166	0	10,699	50	10,574	0	75
Montana									
Beaverhead-Deerlodge	20,735	12,536	977	141	34,389	113	34,276	0	0
Bitterroot	4,497	9,220	4,330	199	18,246	2,419	15,827	0	0
Custer	2,661	158	56	0	2,875	110	2,765	0	0
Flathead	15,552	11,373	38,987	7,320	73,232	546	71,286	0	1,400
Gallatin	1,489	5,276	0	0	6,765	212	6,553	0	0
Helena	1,080	763	615	70	2,528	36	2,482	10	0
Idaho Panhandle	91	0	237	347	675	0	675	0	0
Kootenai	10,021	53,192	61,563	1,805	126,581	82	122,993	0	3,506
Lewis and Clark	4,879	1,622	770	6	7,277	57	7,220	0	0
Lolo	9,814	18,988	10,678	2,356	41,836	596	41,233	0	7
Subtotal	70,819	113,128	118,213	12,244	314,404	4,171	305,310	10	4,913
Nebraska									
Nebraska (subtotal)	0	0	0	0	0	0	0	0	0
Nevada									
Humboldt-Toiyabe	2	185	0	0	187	0	187	0	0
Inyo	0	0	0	0	0	0	0	0	0
Lake Tahoe Basin	0	0	0	195	195	0	195	0	0
Subtotal	2	185	0	195	382	0	382	0	0
New Hampshire									
White Mountain (subtotal)	182	372	86	9	649	393	256	0	0
New Mexico									
Carson	4,351	1,896	141	0	6,388	496	5,892	0	0
Cibola	648	0	0	0	648	0	648	0	0
Gila	2,894	536	0	0	3,430	0	3,430	0	0
Lincoln	1,962	3,288	259	68	5,577	1,081	4,496	0	0
Santa Fe	8,900	684	0	0	9,584	489	9,095	0	0
Subtotal	18,755	6,404	400	68	25,627	2,066	23,561	0	0
New York									
Green Mountain (subtotal)	0	42	653	0	695	58	637	0	0
North Carolina									
NFs in North Carolina (subtotal)	425	2,107	496	2,853	5,881	3,600	1,686	595	0
Ohio									
Wayne (subtotal)	26	389	656	2,628	3,699	1,069	1,292	0	1,338
Oklahoma									
Ouachita (subtotal)	0	35	227	826	1,088	841	247	0	0
Oregon									
Deschutes	33,433	29,284	1,285	911	64,913	5,401	54,129	71	0
Fremont	40,615	24,353	11	0	64,979	1,921	63,058	0	5,312
Klamath	12	187	325	541	1,065	363	702	0	0
Malheur	2,166	2,101	0	0	4,267	1,010	3,257	0	0
Mt. Hood	0	15,190	7,809	1,084	24,083	0	13,627	8,491	1,965

Table 8. Timber stand improvement needs as of October 1, 2002, by State, national forest, cubic foot productivity class, and type of treatment [1/]

State, Commonwealth, or territory [2/] / National Forest (NF)	Cubic foot productivity classes [3/] 0-49	50-84	85-119	120+	Total acres	Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
Oregon (continued)									
Ochoco	25,304	18,731	12	0	44,047	568	43,129	0	350
Rogue River	0	3,505	21,171	873	25,549	3,502	16,951	0	5,096
Siskiyou	0	621	15,412	2,689	18,722	2,592	3,504	6,127	6,499
Siuslaw	0	0	0	34,060	34,060	874	33,164	0	22
Umatilla	4,706	10,734	4,932	1,709	22,081	694	21,328	0	59
Umpqua	0	6,192	18,725	4,092	29,009	766	24,984	0	3,259
Wallowa-Whitman	13,144	57,767	3,915	0	74,826	8,025	65,855	0	946
Willamette	81	6,280	73,277	96,675	176,313	11,089	35,549	90,575	39,100
Winema	1,646	8,658	5,550	0	15,854	890	14,694	0	270
Subtotal	121,107	183,603	152,424	142,634	599,768	37,695	393,931	105,264	62,878
Pennsylvania									
Allegheny (subtotal)	67	845	841	517	2,270	2,270	0	0	0
Puerto Rico									
Caribbean (subtotal)	0	300	798	0	1,098	498	600	0	0
South Carolina									
Francis Marion and Sumter (subtotal)	0	0	1,413	0	1,413	1,224	108	81	0
South Dakota									
Black Hills (subtotal)	3,114	316	0	0	3,430	52	3,378	0	0
Tennessee									
Cherokee (subtotal)	6	670	0	1,625	2,301	1,448	853	0	0
Texas									
NFs in Texas (subtotal)	0	707	1,500	1,341	3,548	3,214	334	0	0
Utah									
Ashley	10,035	0	0	0	10,035	0	10,035	0	0
Dixie	4,627	1,206	0	0	5,833	1,155	4,678	0	0
Fishlake	575	953	0	0	1,528	1,528	0	0	0
Manti-La Sal	0	366	1,331	200	1,897	0	1,847	0	50
Uinta	0	0	45	0	45	45	0	0	0
Wasatch-Cache	171	526	0	0	697	146	551	0	0
Subtotal	15,408	3,051	1,376	200	20,035	2,874	17,111	0	50
Vermont									
Green Mountain (subtotal)	667	785	165	0	1,617	346	1,269	0	2
Virginia									
George Washington and Jefferson (subtotal)	363	10,580	1,314	1,813	14,070	3,787	10,160	0	123
Washington									
Colville	487	4,973	7,688	1,091	14,239	1,480	12,379	0	380
Gifford Pinchot	0	25,273	26,250	10,640	62,163	35	51,590	8,676	1,862
Idaho Panhandle	1,030	417	6,434	3,142	11,023	161	9,733	0	1,129
Mt. Baker-Snoqualmie	0	18	1,032	1,654	2,704	19	903	1,488	294
Okanogan	35,082	4,830	769	0	40,681	3,564	36,074	0	1,043
Olympic	0	532	14,148	1,763	16,443	0	16,368	0	75
Umatilla	159	3,813	0	24	3,996	100	3,542	0	354

Table 8. Timber stand improvement needs as of October 1, 2002, by State, national forest, cubic foot productivity class, and type of treatment [1/]

State, Commonwealth, or territory [2/]	Cubic foot productivity classes [3/]					Release	Thinning	Fertilization	Pruning
National Forest (NF)	0-49	50-84	85-119	120+	Total acres	subtotal	subtotal	subtotal	subtotal
Washington (continued)									
Wenatchee	1,136	147,004	14,758	15,990	178,888	3,567	128,595	5,915	40,811
Subtotal	37,894	186,860	71,079	34,304	330,137	8,926	259,184	16,079	45,948
West Virginia									
George Washington and Jefferson	202	820	0	344	1,366	1,183	183	0	0
Monongahela	41	343	210	169	763	233	530	0	0
Subtotal	243	1,163	210	513	2,129	1,416	713	0	0
Wisconsin									
Chequamegon-Nicolet (subtotal)	471	657	262	41	1,431	1,193	0	0	238
Wyoming									
Bighorn	9,241	362	0	0	9,603	2,683	6,920	0	0
Black Hills	688	322	0	0	1,010	0	1,010	0	0
Bridger-Teton	0	36	556	0	592	0	592	0	0
Caribou-Targhee	6,803	162	13	0	6,978	0	141	0	0
Medicine Bow and Routt	3,223	384	0	0	3,607	369	6,609	0	0
Shoshone	43	98	0	0	141	153	3,454	0	0
Wasatch-Cache	232	27	0	0	259	0	259	0	0
Subtotal	20,230	1,391	569	0	22,190	3,205	18,985	0	0
Total	**457,325**	**714,511**	**634,219**	**423,106**	**2,229,161**	**326,719**	**1,591,669**	**131,649**	**179,124**

1/ Data source is Reforestation & TSI Needs Report (2400-K) Table 2. This information is required by the National Forest Management Act of 1976, Sec. 4d(1).
2/ Unlisted States had no TSI needs as of October 1, 2002.
3/ Cubic foot productivity class refers to the cubic feet of wood produced per acre per year in a natural, unmanaged stand.

Table 9. Pesticide use report—fiscal year 2001

Fungicides and fumigants

Pesticide common name	Treatment purpose	Treated	Units	Amount	Measure
Basamid®	Soil fumigation	4.27	Acres	1683.00	Pounds
Benomyl	Nursery disease control	3.20	Acres	3.20	Pounds
Borax	Disease control	17031.00	Acres	12391.00	Pounds
Carboxin/Thiram	Nursery disease control	45.00	Lbs seed	0.10	Pounds
Chloropicrin	Nursery disease control	35.60	Acres	5295.95	Pounds
Chlorothalonil	Disease control	4.00	Acres	0.69	Pounds
Chlorothalonil	Nursery disease control	25.15	Acres	34.46	Pounds
Chlorothalonil	Nursery disease control	97500.00	Square feet	10.20	Pounds
Dazomet	Nursery disease control	62.02	Acres	21709.00	Pounds
Dazomet	Soil fumigation	17.42	Acres	6097.00	Pounds
DCNA	Nursery disease control	2.80	Acres	2.10	Pounds
Dicloran	Disease control	9.05	Acres	55.76	Pounds
Dicloran	Nursery disease control	2880.00	Square feet	0.99	Pounds
Dodine	Nursery disease control	7.50	Acres	9.75	Pounds
Iprodione	Disease control	3.70	Acres	7.20	Pounds
Iprodione	Nursery disease control	7.25	Acres	4.98	Pounds
Mancozeb	Nursery disease control	3.74	Acres	26.40	Pounds
Metalaxyl	Nursery disease control	3004.00	Square feet	0.44	Pounds
Methyl bromide	Nursery disease control	25.50	Acres	5563.05	Pounds
Methyl bromide	Soil fumigation	5.72	Acres	1456.00	Pounds
Propiconazole	Nursery disease control	125.55	Acres	12.28	Pounds
Propiconazole	Nursery disease control	12500.00	Square feet	0.04	Pounds
Thiophanate-methyl	Disease control	0.57	Acres	1.47	Pounds
Thiophanate-methyl	Nursery disease control	69.30	Acres	34.06	Pounds
Thiophanate-methyl	Nursery disease control	94.00	Lbs seed	1.90	Gallons
Thiophanate-methyl	Nursery disease control	0.60	Stations	0.60	Pounds
Thiophanate-methyl	Recreation improvement	1.00	Acres	1.40	Pounds
Thiram	Nursery disease control	0.00	Acres	1.68	Pounds
Triadimefon	Nursery disease control	4.38	Acres	1.02	Pounds
Triadimefon	Recreation improvement	2.00	Acres	0.70	Pounds
Total 2001 fungicides and fumigants		**17,451**	**Acres**	**54,405**	**Pounds**
Note: Grand totals are grouped by measuring units.		**1**	**Acre feet**	**20**	**Gallons**
		139	**Pounds of seed**		
		1	**Treatment Station**		
		115,884	**Nursery square feet**		

Table 9. Pesticide use report—fiscal year 2001

Herbicides, algicides, and plant growth regulators					
Pesticide common name	*Treatment purpose*	*Treated*	*Units*	*Amount*	*Measure*
2,4-D	Agricultural weed control	286.00	Acres	135.85	Pounds
2,4-D	Noxious weed control	48967.23	Acres	21813.06	Pounds
2,4-D	Nursery weed control	80.00	Acres	93.27	Pounds
2,4-D	Recreation improvement	42.00	Acres	27.00	Pounds
2,4-D	Right-of-way vegetation management	46.00	Acres	48.00	Pounds
Bensulide	Recreation improvement	1.00	Acres	9.00	Pounds
Bromacil	Housekeeping/facilities maintenance	2.00	Acres	0.50	Pounds
Bromacil	Noxious weed control	36.35	Acres	32.18	Pounds
Chlorsulfuron	Noxious weed control	599.86	Acres	33.63	Pounds
Chrysolina hyperici	Noxious weed control	5.00	Acres	30.00	Pounds
Clopyralid	Housekeeping/facilities maintenance	5.00	Acres	0.19	Pounds
Clopyralid	Noxious weed control	7403.83	Acres	2754.97	Pounds
Dicamba	Noxious weed control	9207.68	Acres	2805.43	Pounds
Dicamba	Nursery weed control	55.00	Acres	7.14	Pounds
Diglycolamine®	Noxious weed control	1163.00	Acres	163.26	Pounds
Diuron	Housekeeping/facilities maintenance	2.00	Acres	0.50	Pounds
Diuron	Noxious weed control	36.25	Acres	33.00	Pounds
Diuron	Right-of-way vegetation management	103.00	Acres	340.00	Pounds
Fluridone	Aquatic weed control	5.00	Acres	2.00	Pounds
Fosamine ammonium	Noxious weed control	176.00	Acres	16.31	Pounds
Fosamine ammonium	Right-of-way vegetation management	60.60	Acres	470.00	Pounds
Fosamine ammonium	Right-of-way vegetation management	108.20	Road miles	380.00	Pounds
Garlon® 3A, Garlon 4	Wildlife habitat improvement	100.00	Acres	14.00	Gallons
Glyphosate	Agricultural weed control	172.64	Acres	628.50	Pounds
Glyphosate	Aquatic weed control	4.50	Acres	4.70	Pounds
Glyphosate	Conifer and hardwood release	954.10	Acres	1501.20	Pounds
Glyphosate	Conifer release	7855.00	Acres	26032.49	Pounds
Glyphosate	Housekeeping/facilities maintenance	49.75	Acres	48.64	Pounds
Glyphosate	Housekeeping/facilities maintenance	3.00	Buildings	8.00	Pounds
Glyphosate	Noxious weed control	6368.56	Acres	6768.54	Pounds
Glyphosate	Noxious weed control	12.00	Road miles	20.00	Pounds
Glyphosate	Nursery weed control	247.06	Acres	717.21	Pounds
Glyphosate	Nursery weed control	10800.00	Square feet	0.94	Pounds
Glyphosate	Recreation improvement	78.50	Acres	39.68	Pounds
Glyphosate	Right-of-way vegetation management	577.71	Acres	895.48	Pounds
Glyphosate	Seed orchard protection	16.00	Acres	10.00	Pounds
Glyphosate	Site preparation	2189.00	Acres	7319.76	Pounds
Glyphosate	Wildlife habitat improvement	508.00	Acres	753.50	Pounds
Halosulfuron-methyl	Nursery weed control	0.20	Acres	0.12	Pounds
Hexazinone	Conifer release	1468.00	Acres	808.70	Pounds
Hexazinone	Right-of-way vegetation management	21.00	Acres	29.40	Pounds
Hexazinone	Seed orchard protection	20.00	Acres	10.00	Pounds

Table 9. Pesticide use report—fiscal year 2001

Herbicides, algicides, and plant growth regulators

Pesticide common name	Treatment purpose	Treated	Units	Amount	Measure
Imazapyr	Hardwood release	235.00	Acres	10.00	Pounds
Imazapyr	Housekeeping/facilities maintenance	0.34	Acres	3.57	Pounds
Imazapyr	Noxious weed control	24.50	Acres	11.06	Pounds
Imazapyr	Right-of-way vegetation management	189.98	Acres	31.14	Pounds
Imazapyr	Wildlife habitat improvement	212.00	Acres	42.00	Pounds
Imidazole	Noxious weed control	739.70	Acres	2.76	Pounds
Limonene	Right-of-way vegetation management	124.00	Acres	157.00	Pounds
MCPA	Noxious weed control	10.00	Acres	10.00	Pounds
Mechanical	Noxious weed control	40.00	Acres	0.00	Pounds
Mecoprop	Nursery weed control	55.00	Acres	36.70	Pounds
Mefluidide	Right-of-way vegetation management	9.00	Acres	1.00	Pounds
Metsulfuron-methyl	Conifer release	522.00	Acres	15.75	Pounds
Metsulfuron-methyl	Noxious weed control	8060.11	Acres	210.89	Pounds
Metsulfuron-methyl	Nursery disease control	0.00	Acres	0.09	Pounds
Metsulfuron-methyl	Right-of-way vegetation management	598.00	Acres	11.00	Pounds
Oxyfluorfen	Housekeeping/facilities maintenance	2.00	Acres	2.30	Pounds
Oxyfluorfen	Insect suppression	21.75	Acres	10.88	Pounds
Oxyfluorfen	Nursery weed control	343.40	Acres	287.63	Pounds
Picloram	Noxious weed control	62897.12	Acres	12865.90	Pounds
Picloram	Recreation improvement	7.00	Acres	3.50	Pounds
Picloram	Right-of-way vegetation management	44.80	Acres	11.10	Pounds
Sethoxydim	Nursery weed control	0.70	Acres	0.15	Pounds
Simazine	Nursery weed control	9.66	Acres	130.50	Pounds
Sulfometuron-methyl	Conifer release	1043.00	Acres	37.20	Pounds
Sulfometuron-methyl	Noxious weed control	60.50	Acres	2.50	Pounds
Sulfometuron-methyl	Right-of-way vegetation management	40.00	Acres	6.00	Pounds
Sulfometuron-methyl	Site preparation	122.00	Acres	10.97	Pounds
Sulfosulfuron	Right-of-way vegetation management	17.00	Acres	1.00	Pounds
Triclopyr	Conifer and hardwood release	2110.00	Acres	660.00	Pounds
Triclopyr	Conifer release	986.00	Acres	596.50	Pounds
Triclopyr	Hardwood control	81.00	Acres	60.00	Pounds
Triclopyr	Hardwood release	392.00	Acres	112.75	Pounds
Triclopyr	Housekeeping/facilities maintenance	1.20	Acres	1.70	Pounds
Triclopyr	Noxious weed control	1297.88	Acres	1746.63	Pounds
Triclopyr	Right-of-way vegetation management	637.65	Acres	632.42	Pounds
Triclopyr	Right-of-way vegetation management	108.20	Road miles	380.00	Pounds
Triclopyr	Seed orchard protection	1.00	Acres	1.00	Pounds
Triclopyr	Site preparation	2737.00	Acres	1624 10	Pounds
Triclopyr	Wildlife habitat improvement	2124.00	Acres	2047.15	Pounds
Trifluralin	Housekeeping/facilities maintenance	2.25	Acres	10.00	Pounds
Trisulfuron	Noxious weed control	139.00	Acres	3.42	Pounds
Total 2001 herbicides, algicides, and plant growth regulators		**186,527**	**Acres**	**101,309**	**Pounds**
Note: Grand totals are grouped by measuring units.		**228**	**Road miles**	**14**	**Gallons**
		10,800	**Square feet**		
		3	**Buildings**		

Table 9. Pesticide use report—fiscal year 2001

Insecticides,acaricides, and pheromones

Pesticide common name	Treatment purpose	Treated	Units	Amount	Measure
Acephate	Housekeeping/facilities maintenance	1.00	Acres	1.00	Pounds
Acephate	Nursery insect control	889.00	Ribes	0.09	Pounds
Avermectin	Insect suppression	216.00	Square feet	0.01	Pounds
Bacillus thuringiensis	Insect suppression	15597.00	Acres	143844.00	BIU [1]
Bacillus thuringiensis	Nursery insect control	63000.00	Square feet	2.73	BIU
Carbaryl	Insect eradication	3202.00	Trees	257.00	Pounds
Carbaryl	Insect suppression	3.00	Trees	0.80	Pounds
Carbaryl	Nursery insect control	3.00	Acres	3.00	Pounds
Chlorpyrifos	Insect eradication	8.00	Acres	8.00	Pounds
Chlorpyrifos	Insect eradication	5.00	Buildings	0.21	Pounds
Chlorpyrifos	Insect suppression	12.00	Trees	1.00	Pounds
Chlorpyrifos	Nursery insect control	8.85	Acres	8.85	Pounds
Chlorpyrifos	Recreation improvement	4.00	Acres	3.00	Pounds
Cyfluthrin	Insect eradication	5.00	Buildings	0.03	Pounds
Cypermethrin	Insect eradication	5.00	Buildings	0.24	Pounds
Diazinon	Insect eradication	5.00	Acres	0.09	Pounds
Diazinon	Insect suppression	200.00	Stations	5.00	Pounds
Diazinon	Vector/plague suppression	173.00	Acres	29.80	Pounds
Dicofol	Nursery insect control	0.50	Acres	0.25	Pounds
Dienochlor	Nursery insect control	506.00	Ribes	0.06	Pounds
Diflubenzuron	Insect suppression	40.00	Square feet	0.02	Pounds
Dimethoate	Nursery insect control	6.25	Acres	3.13	Pounds
Dimilin	Insect suppression	2801.00	Acres	88.00	Pounds
Dormant oil	Insect eradication	5.00	Acres	105.00	Pounds
Esfenvalerate	Insect suppression	0.01	Acres	0.02	Pounds
Esfenvalerate	Nursery insect control	88.93	Acres	3.43	Pounds
Esfenvalerate	Nursery insect control	16900.00	Square feet	0.06	Pounds
Hexythiazox	Insect suppression	216.00	Square feet	0.01	Pounds
Imidacloprid	Insect suppression	41.00	seedlings	0.01	Pounds
Imidacloprid	Insect suppression	2.50	Square feet	0.01	Pounds
Malathion	Insect eradication	10.00	Acres	0.93	Pounds
Malathion	Nursery insect control	480.00	Square feet	0.10	Pounds
Perfluorooctanesulfonamide	Insect eradication	28.00	Acres	28.00	Pounds
Permethrin	Disease control	0.64	Acres	0.74	Pounds
Permethrin	Insect suppression	144.00	Square feet	0.01	Pounds
Potassium salts of fatty acids	Insect eradication	13.00	Acres	930.00	Pounds
Potassium salts of fatty acids	Nursery insect control	300.00	Square feet	0.12	Pounds
Pyrethrins	Insect eradication	2.00	Buildings	0.02	Pounds
Total 2001 insecticides, acaricides, and pheromones		**18,753**	**Acres**	**Pounds**	**1,478**
Note: Grand totals are grouped by measuring units.		**17**	**Buildings**	**BIU**	**143,847**
		200	**Bait stations**		
		41	**seedlings**		
		81,299	**Nursery square feet**		
		3,217	**Trees**		
		1,395	**Ribes plants**		

[1] *BIU = Billion International Units*

Table 9. Pesticide use report—fiscal year 2001

Predacides,piscicides, and repellents

Pesticide common name	Treatment purpose	Treated	Units	Amount	Measure
Putrescent egg solids	Animal damage control	7991.00	Acres	t044.80	Pounds
Rotenone	Fish eradication	12.00	Stream miles	t.30	Pounds
Strychnine	Animal damage control	3205.00	Acres	4.55	Pounds
Total 2001 predacide, piscicides and repellents *Note: Grand totals are grouped by measuring units.*		**11,196** **12**	**Acres** **Stream miles**	**1,051**	**Pounds**

Rodenticides

Pesticide common name	Treatment purpose	Treated	Units	Amount	Measure
Bromadiolone	Housekeeping/facilities maintenance	t8.00	Buildings	0.05	Pounds
Diphacinone	Recreation improvement	t.00	Acres	0.25	Pounds
Diphacinone	Seed orchard protection	26.00	Acres	0.00	Pounds
Strychnine	Animal damage control	22588.50	Acres	680.52	Pounds
Strychnine	Seed orchard protection	23.00	Acres	0.01	Pounds
Total 2001 rodenticides *Note: Grand totals are grouped by measuring units.*		**22,639** **18**	**Acres** **Buildings**	**681**	**Pounds**

Biological control organisms

Organism scientific name	Treatment purpose	Treated	Units	Organisms released	Type
Agapeta zoegana	Noxious weed control	5.00	Acres	200.00	Insects
Aphthona flava	Noxious weed control	50.00	Acres	1000.00	Insects
Aphthona lacertosa	Noxious weed control	t051.00	Acres	65500.00	Insects
Aphthona nigriscutis	Noxious weed control	1.00	Acres	3000.00	Insects
Aphthona nigriscutis	Noxious weed control	140.00	Acres	7000.00	Insects
Bangasternus fausti	Noxious weed control	337.00	Acres	t8800.00	Insects
Brachypterolus pulica	Noxious weed control	40.00	Acres	900.00	Insects
Calophasia lunula	Noxious weed control	10.00	Acres	43.00	Insects
Cassida rubiginosa	Noxious weed control	0.00	Acres	1800.00	Insects
Ceutorhyncus litura	Noxious weed control	265.00	Acres	8283.00	Insects
Cyphocleonus achates	Noxious weed control	t16.00	Acres	2800.00	Insects
Gymnetron antirrhini	Noxious weed control	0.00	Acres	1t00.00	Insects
Larinus minutus	Noxious weed control	555.00	Acres	30925.00	Insects
Larinus obtusus	Noxious weed control	75.00	Acres	3550.00	Insects
Larinus planus	Noxious weed control	35.00	Acres	1800.00	Insects
Mecinus janthinus	Noxious weed control	5.00	Acres	200.00	Insects
Oberea erythrocephala	Noxious weed control	25.00	Acres	500.00	Insects
Oberea erythrocephala	Noxious weed control	t.00	Acres	50.00	Insects
Rhinocyllus conicus	Noxious weed control	54.00	Acres	t100.00	Insects
Trichosirocalus horridus	Noxious weed control	50.00	Acres	t000.00	Insects
Urophora species	Noxious weed control	23.00	Acres	1t55.00	Galls
Total 2001 biological control organisms *Note: Grand totals are grouped by measuring units.*		**2,838.00**	**Acres**	**149,551** **1,155**	**Insects** **Galls**

Table 10. Payment to States from national forest receipts—fiscal years 1998-2002 [1/]

State, Commonwealth, or territory	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998
			(Dollars)		
Alabama	2,014,535.92	2,032,381.86	617,397.86	627,141.11	1,132,837.61
Alaska	8,875,414.09	8,795,864.26	2,303,713.60	1,990,437.05	1,820,091.50
Arizona	7,057,340.18	7,002,294.71	1,781,330.09	1,744,657.63	2,112,822.86
Arkansas	5,987,587.72	6,409,693.90	6,706,795.00	8,139,548.73	6,583,562.29
California	60,937,140.45	61,908,621.54	26,418,432.59	28,607,060.72	30,533,384.80
Colorado	5,433,543.49	5,594,779.67	4,529,946.60	4,136,063.23	5,045,264.85
Florida	2,366,024.02	2,381,295.26	944,899.27	655,096.72	1,434,607.96
Georgia	1,230,601.50	1,221,004.87	52,789.87	284,914.07	328,311.76
Idaho	20,021,811.55	20,201,987.32	7,583,715.99	7,519,223.34	12,468,422.21
Illinois	287,236.48	285,058.20	167,477.56	214,271.62	394,100.70
Indiana	122,940.88	121,965.20	4,998.48	27,552.52	138,294.11
Kentucky	391,045.50	418,498.72	71,621.56	68,621.37	254,852.82
Louisiana	3,517,805.31	3,643,760.96	1,838,578.45	2,169,658.42	2,360,550.67
Maine	39,108.24	38,797.87	26,916.05	37,579.88	37,218.91
Michigan	2,455,717.84	3,035,938.64	3,856,191.57	3,115,660.35	2,995,680.41
Minnesota	3,852,171.06	3,908,437.92	4,072,016.11	4,122,815.01	3,412,495.17
Mississippi	7,310,921.56	7,619,052.68	6,504,457.90	8,191,796.44	5,399,465.46
Missouri	2,498,520.36	2,386,666.48	1,168,241.10	1,213,797.62	1,237,033.09
Montana	12,464,355.06	13,446,251.04	7,051,084.69	6,180,745.51	10,366,665.72
Nebraska	39,757.38	39,654.35	34,498.36	34,203.49	33,188.25
Nevada	427,897.45	422,434.92	295,414.67	290,104.41	329,556.48
New Hampshire	220,028.16	445,378.25	397,181.83	554,530.04	548,524.95
New Mexico	2,022,076.70	1,893,635.11	681,387.49	912,360.79	854,154.64
New York	7,729.66	7,675.72	8,478.33	5,116.94	2,215.54
North Carolina	963,819.93	956,170.69	455,485.20	782,161.27	594,302.06
North Dakota	79.37	101.18	71.98	144.91	57.33
Ohio	61,370.90	39,827.02	-3,116.76	22,984.30	2,241.43
Oklahoma	1,213,786.30	1,302,515.40	1,249,725.06	1,514,294.85	1,034,363.08
Oregon	140,987,330.10	141,075,407.15	76,322,960.34	80,791,483.46	85,505,449.53
Pennsylvania	3,665,076.97	4,830,500.70	2,981,650.71	2,769,989.07	5,800,446.38
Puerto Rico	7,845.09	21,405.93	20,919.28	14,439.55	24,408.87
South Carolina	3,104,360.23	3,079,722.56	576,821.66	1,664,342.08	557,227.68
South Dakota	3,698,540.72	3,669,187.27	3,070,194.20	3,318,229.60	3,663,436.84
Tennessee	528,931.79	524,734.00	373,512.99	536,567.09	326,855.64
Texas	4,434,579.95	4,446,516.84	665,807.17	2,304,128.26	5,620,631.20
Utah	1,912,769.66	1,864,827.94	1,900,307.57	1,437,451.69	1,511,626.92
Vermont	283,429.73	335,933.11	327,618.58	395,630.14	435,564.94
Virginia	717,878.34	789,666.80	486,902.27	652,651.00	767,354.09
Washington	40,190,871.84	41,228,762.75	24,658,286.13	25,728,245.67	27,073,257.08
West Virginia	1,868,792.10	1,861,226.98	1,284,519.47	1,823,553.49	1,944,308.51
Wisconsin	1,595,539.04	2,230,103.65	1,788,238.51	1,805,834.32	2,165,773.84
Wyoming	2,192,734.45	2,184,148.88	1,591,933.42	1,700,935.82	2,184,110.74
Total	**357,009,047.07**	**363,701,888.30**	**194,869,402.80**	**208,106,023.58**	**229,034,718.92**

Note: FY 2001 and 2002 values do not include Title II funds. In FY 2002, $5.5 million was moved from Title III to Title II, resulting in an apparent decrease from FY 2001 to FY 2002.

1/ Data source: All Service Receipts - ASR-09-3.

Table 11. Summary of selected cooperative forest management and processing program activities—selected fiscal years, 1945-2002

Fiscal year	Woodland owners assisted (Number)	Timber sale assistance - volume marked [1]/ (MBF [1]/)	Loggers and processors assisted (Number)
1945	8,093	411,330	0
1950	22,828	518,566	0
1955	34,828	549,373	8,182
1960	82,188	569,178	8,099
1965	99,074	716,950	9,248
1970	115,197	1,225,520	13,620
1971	127,828	860,950	14,627
1972	274,001	955,627	5,290
1973	106,422	1,578,664	4,855
1974	117,990	907,311	5,353
1975	140,940	677,532	5,405
1976	105,184	596,599	15,318
1976-77 (T.Q.) [2]/	25,253	220,649	5,849
1977	133,619	921,171	29,101
1978	165,329	1,120,743	12,749
1979	183,585	755,103	11,393
1980	176,385	870,964	11,582
1981	164,279	683,181	18,609
1982	141,472	841,475	15,470
1983	136,265	872,125	8,717
1984	151,539	1,033,440	10,082 [3]/
1985	134,338	913,411	- [4]/
1986	137,753	855,813	-
1987	158,353	1,225,896	-
1988	167,432	890,581	-
1989	153,855	1,242,564	-
1990	148,673	1,597,931	-
1991	153,090	1,697,861	-
1992	190,211	791,462	-
1993	190,256	950,178	-
1994	152,189	1,313,946	-
1995	192,618	1,274,902	-
1996	214,517	1,372,380	-
1997	186,824	1,864,805	-
1998	146,746	2,380,079	-
1999	234,907	4,206,261 [1]/	-
2000	189,040 [5]/	* [6]/	
2001	190,929	*	
2002	207,135	*	

[1]/ MBF = thousand board feet through 1998; in1999 volume is reported in thousand cubic feet (MCF).
[2]/ Transition quarter.
[3]/ Not all States reported.
[4]/ Inadequate data due to lack of State grants in wood utilization program.
[5]/ PMAS fields 14039 and 14040
[6]/ * Data no longer collected

Table 12. Summary of selected cooperative forest management and processing activities by region—fiscal year 2002 (NIPF lands) [1/]

Assistance activity	Unit of measure	Regions										
		R-1 [2/] Northern	R-2 Rocky Mountain	R-3 South-western	R-4 Inter-mountain	R-5 Pacific Southwest	R-6 Pacific Northwest	R-8 Southern	NA Northeastern Area	R-10 Alaska	IITF [3/] Puerto Rico	**Total**
Woodland owners assisted	Number [4/]	3,177	3,269	412	46	1,598	4,732	88,755	104,733	12	401	**207,135**
Forest management plans prepared [5/]	Plans [6/]	911	615	325	1	196	832	26,849	6,692	76	339	**36,836**
	Acres [7/]	65,411	45,829	10,855	1,100	37,077	58,385	1,732,679	515,628	4,720	5,283	**2,476,967**
Reforestation planting	Acres [8/]	19,957	17,243	1,413	1,282	3,234	44,600	955,813	160,494	1,219	5,283	**1,210,538**
Urban forestry assistance activities	Number of urban areas assisted [9/]	323	1,007	227	99	995	303	1,721	5,727	16	78	**10,496**
Referrals to consulting foresters	Number [10/]	209	465	11	5	192	975	8,220	11,334	2	23	**21,436**

[1/] NIPF lands – Non-indudustrial private forest lands
[2/] Entire State of Idaho shown in Region 1.
[3/] IITF – International Institute of Tropical Forestry
[4/] PMAS fields 14039 + 14040
[5/] Forest stewardship program plans and acres separately recorded in table 3.
[6/] PMAS field 14011
[7/] PMAS field 14010
[8/] PMAS field 14071 minus 14072
[9/] PMAS field 14131
[10/] PMAS field 14040

Table 13. Summary of selected cooperative forest management and processing activities by State—fiscal year 2002

State, Commonwealth, or territory	Woodland owners assisted (*Number*) [1/]	Reforestation assistance (*Acres*) [2/]	State nursery production (*1,000 trees*) [3/]
Alabama	8,083	68,004	27,000
Alaska	12	1,219	0
American Samoa	250	55	25
Arizona	172	286	0
Arkansas	12,189	18,153	12,705
California	789	1,729	3,285
Colorado	1,360	3,719	2,700
Commonwealth, N. Marianas	215	2	17
Connecticut	269	76	662
Delaware	580	1,727	0
District of Columbia	0	0	0
Federated States of Micronesia	96	9	13
Florida	7,683	74,979	27,792
Georgia	8,929	191,088	43,000
Guam	15	35	50
Hawaii	203	1,365	164
Idaho	1,734	3,264	550
Illinois	22,458	68,000	4,591
Indiana	6,910	7,856	5,300
Iowa	8,359	13,260	5,500
Kansas	502	1,856	665
Kentucky	1,557	5,317	7,000
Louisiana	2,783	105,431	24,000
Maine	14,967	110	0
Marshall Islands	0	0	0
Maryland	3,094	20,710	7,168
Massachusetts	1,940	20	0
Michigan	661	429	5,101
Minnesota	5,024	11,482	12,229
Mississippi	19,172	217,326	29,155
Missouri	3,792	14,038	7,100
Montana	482	0	1,057
Nebraska	913	584	0
Nevada	36	202	114
New Hampshire	2,211	59	325
New Jersey	1,128	1,060	195
New Mexico	240	1,127	102
New York	4,801	2,288	1,338
North Carolina	8,987	83,316	29,000
North Dakota	961	16,693	1,682
Ohio	4,601	1,751	3,400
Oklahoma	1,302	7,730	5,953
Oregon	2,124	20,030	10,506
Palau	30	39	4
Pennsylvania	3,013	782	4,100
Puerto Rico	394	5,283	916
Rhode Island	153	0	0
South Carolina	3,744	73,485	22,281
South Dakota	178	10,233	0
Tennessee	2,058	4,764	22,000

Table 13. Summary of selected cooperative forest management and processing activities by State—fiscal year 2002

State, Commonwealth, or territory (continued)	Woodland owners assisted (*Number*) [1/]	Reforestation assistance (*Acres*) [2/]	State nursery production (*1,000 trees*) [3/]
Texas	4,020	39,141	12,446
Utah	10	1,080	744
Vermont	3,973	220	0
Virgin Islands	7	0	0
Virginia	8,248	67,079	37,000
Washington	2,608	24,570	8,107
West Virginia	3,062	1,740	2,464
Wisconsin	13,737	14,886	18,316
Wyoming	316	851	0
Total	**207,135**	**1,210,538**	**407,822**

[1]/ PMAS Fields 14039, 14040
[2]/ PMAS Field 14071, non-industrial private forest lands only
[3]/ PMAS Field 14090

Table 14. Forest Legacy Program Status—Land Protected to Date as of September 30, 2002 [1/]

State	Assessment of need Approval date	Number of projects	Total acres	Total value of land [2/]	Forest Legacy payment
Alabama	March 22, 2002				
California Amended:	January 22, 1996 January 16, 2001	3	3,842	$6,752,000	$101,000
Colorado	March 22, 2002				
Connecticut	October 26, 1994	12	1,261	$2,271,000	$390,000
Delaware	December 10, 1998				
Georgia	March 22, 2002				
Hawaii	November 29, 1994				
Illinois	November 29, 1994	3	143	$716,000	$492,000
Indiana	December 10, 1998	3	1,261	$705,000	$411,000
Maine	March 18, 1994	6	32,195	$7,572,000	$5,941,000
Maryland	January 22, 1996	4	966	$2,325,000	$650,000
Massachusetts Amended:	August 5, 1993 January 16, 2001	14	2,468	$8,879,000	$5,059,000
Minnesota	February 2, 2000	2	239	$663,000	$238,000
Montana	February 29, 2000	3	97,926	$22,154,000	$12,506,000
New Hampshire Amended:	February 11, 1994 February 29, 2000	18	47,769	$13,776,000	$7,688,000
New Jersey	October 26, 1994	4	2,340	$13,144,000	$1,662,000
New Mexico	March 2, 2002				
New York Amended:	October 26, 1994 December 10, 1998	6	1,555	$4,773,000	$2,403,000
North Carolina	February 29, 2000	2	2,341	$5,305,000	$4,050,000
Oregon	March 22, 2002				
Pennsylvania	May 7, 2002				
Puerto Rico	October 30, 1997	9	1,468	$1,577,000	$792,000
Rhode Island	December 30, 1993	8	914	$2,383,000	$1,483,000
South Carolina	February 7, 2000	3	8,720	$9,928,000	$9,475,000
Tennessee	February 7, 2000	1	6,829	$9,000,000	$4,500,000
Utah	February 27, 1997	14	33,222	$30,187,000	$8,897,000
Vermont	February 11, 1994	11	50,955	$8,738,000	$5,707,000
Virginia	January 16, 2001				
Washington	October 26, 1994	11	3,679	$23,841,000	$10,569,000
Wisconsin	January 16, 2001				
Total		**137**	**300,093**	**$174,689,000**	**$83,014,000**

1/ Includes donations and State payments.

2/ The "Total value" reflects the non-Federal cost share, including land donations, to the Forest Legacy Program. It may not reflect the complete cost share amount because States have a maximum of 5 years to contribute cost share to projects.

Region	2002						2001					
	Offered [1]		Sold [2]		Harvested [3]		Offered [1]		Sold [2]		Harvested [3]	
	MMBF [4]	MMCF [5]	MMBF	MMCF	MMBF	MMCF	MMBF	MMCF	MMBF	MMCF	MMBF	MMCF
Northern (R-1)	235.3	49.0	242.3	50.0	228.4	48.0	211.9	43.4	177.3	37.6	190.2	39.8
Rocky Mountain (R-2)	101.4	20.1	104.7	21.9	125.2	25.7	134.3	27.3	61.6	12.4	140.5	28.9
Southwestern (R-3)	75.1	13.1	65.8	11.6	70.8	12.5	115.4	20.6	81.3	14.1	70.5	12.0
Intermountain (R-4)	96.6	17.7	80.6	14.9	83.8	16.3	91.7	16.9	101.4	18.7	87.5	16.1
Pacific Southwest (R-5)	238.0	49.0	251.0	54.8	259.6	54.5	333.2	69.4	228.0	35.6	344.2	57.5
Pacific Northwest (R-6)	334.5	64.8	306.1	61.6	276.7	65.0	197.3	39.1	268.8	53.8	307.0	61.2
Southern (R-8)	276.7	50.3	227.6	41.7	293.6	53.6	256.0	46.4	243.9	44.5	287.0	52.4
Eastern (R-9)	369.4	59.7	316.9	51.4	354.0	57.3	310.7	50.4	321.9	52.5	463.1	74.8
Alaska (R-10)	57.5	11.8	24.4	6.3	34.1	7.4	23.0	4.5	49.9	9.6	48.2	10.3
Total	**1,784.6**	**335.5**	**1,619.4**	**314.1**	**1,726.1**	**340.3**	**1,673.6**	**318.0**	**1,534.1**	**278.8**	**1,938.2**	**353.0**

1/ Sales offered for the fiscal year being displayed. Offer data comes from the Periodic Timber Sale Accomplishment Report. FY 2001 offered volume does not include FY 2000 carryover of 341.5 MMBF and 67.9 MMCF per congressional direction.

2/ Includes sales offered in prior fiscal years and sold in the fiscal year being displayed, and miscellaneous small sales that were previously offered and/or sold and were reoffered and sold in the fiscal year being displayed. Does not include the volume of long-term sales released for harvesting.

3/ Includes the volume harvested on long-term sales. Harvest data comes from the cut and sold report.

4/ MMBF = million board feet. Offered and sold volumes will not be equal since some sales were not sold (awarded) in the same fiscal year in which they were offered. Some sales did not receive any bids or were withdrawn. Sold data comes from the cut and sold report.

5/ MMCF = million cubic feet. Sum in each column may not equal total due to rounding.

Table 16. Number of sales and timber volume sold and harvested by State—fiscal year 2002[1/]

State or Commonwealth [2/]	Number of sales	Timber sold			Timber harvested		
		Volume			Volume		
		MMBF [3/]	*MMCF* [4/]	Bid value [5/]	*MMBF* [3/]	*MMCF* [4/]	Receipts [5/]
Alabama	170	10.6	1.9	$829,200	10.7	1.9	$736,069
Alaska	86	24.4	6.3	$593,504	34.1	7.4	$1,248,422
Arizona	8,101	39.1	7.1	$811,634	38.4	6.7	$1,302,641
Arkansas	1,205	80.8	14.7	$6,937,917	104.1	18.9	$14,218,125
California	31,646	253.5	55.2	$12,766,732	261.8	54.9	$15,892,830
Colorado	1,245	46.6	10.2	$2,763,382	47.2	9.9	$3,083,723
Florida	200	26.5	4.8	$1,317,055	27.1	4.9	$1,880,848
Georgia	327	0.5	0.1	$12,885	0.6	0.1	$12,848
Idaho	17,954	137.4	26.8	$11,232,215	114.2	22.1	$13,596,937
Illinois	59	0.1	0.0	$580	0.1	0.0	$570
Indiana	14	0.1	0.0	$17,963	0.1	0.0	$17,973
Kentucky	82	1.3	0.2	$28,651	2.0	0.4	$74,833
Louisiana	161	6.5	1.2	$572,375	28.0	5.1	$3,764,326
Michigan	1,618	102.1	16.5	$8,255,943	114.9	18.5	$8,587,348
Minnesota	106	53.0	8.5	$3,159,587	89.3	14.4	$4,925,776
Mississippi	336	32.6	5.9	$4,316,560	37.2	6.8	$6,015,562
Missouri	284	37.1	6.1	$2,741,435	19.4	3.2	$2,267,730
Montana	10,986	161.3	33.7	$14,091,440	154.4	33.5	$16,019,832
Nebraska	11	0.0	0.0	$220	0.0	0.0	$220
Nevada	1,187	1.3	0.2	$19,007	1.2	0.2	$17,928
New Hampshire	53	10.4	1.7	$1,142,733	5.7	0.9	$343,142
New Mexico	14,715	26.7	4.5	$316,886	32.4	5.9	$331,876
New York	10	0.0	0.0	$200	0.1	0.0	$11,177
North Carolina	506	8.0	1.5	$313,736	13.5	2.4	$544,675
North Dakota	36	0.0	0.0	$400	0.0	0.0	$340
Ohio	107	0.1	0.0	$2,120	0.1	0.0	$1,600
Oklahoma	37	0.5	0.1	$40,934	10.8	2.0	$1,394,486
Oregon	19,520	249.1	50.3	$29,706,143	196.8	49.6	$19,531,054
Pennsylvania	139	22.1	3.6	$17,704,967	15.6	2.5	$11,318,884
South Carolina	163	25.6	4.7	$3,690,895	19.4	3.5	$2,031,949
South Dakota	647	35.7	7.3	$5,391,844	60.0	12.2	$7,522,460
Tennessee	180	1.6	0.3	$28,410	2.8	0.5	$179,820
Texas	137	19.3	3.5	$2,454,840	22.9	4.2	$3,664,492
Utah	4,826	14.9	2.8	$952,221	30.1	5.8	$3,541,402
Vermont	67	0.1	0.0	$1,113	0.7	0.1	$197,926
Virginia	1,553	10.3	1.9	$1,188,008	15.3	2.8	$1,503,497
Washington	6,634	57.0	11.3	$5,571,221	80.0	15.5	$7,896,855
West Virginia	110	17.8	3.0	$4,106,667	8.5	1.4	$1,953,887
Wisconsin	943	79.0	12.7	$4,707,664	100.1	16.2	$6,244,712
Wyoming	4,087	27.8	5.3	$1,907,296	27.9	5.9	$2,172,059
Total	**130,248**	**1,621.0**	**314.1**	**$149,696,581**	**1,727.6**	**340.3**	**$164,050,835**

1/ Data source is the cut and sold report. Excludes nonconvertible special forest products.
2/ Unlisted States had no timber sold or harvested in FY 2002.
3/ MMBF = million board feet.
4/ MMCF = million cubic feet. Columns may not add due to rounding.
5/ Includes reforestation, stand improvement, and timber salvage collections. Does not include brush disposal or value of roads.

Table 17. Uncut timber volume under contract by region (all products)—fiscal years 1998-2002 [1/]

Region	2002		2001		2000		1999		1998	
	MMBF [2/]	MMCF [3/]	MMBF [2/]	MMCF [3/]	MMBF [2/]	MMCF [3/]	MMBF [2/]	MMCF [3/]	MMBF [2/]	MMCF [3/]
Northern (R-1)	426	89	417	87	444	93	501	105	576	120
Rocky Mountain (R-2)	302	60	336	75	400	89	432	96	423	94
Southwestern (R-3)	68	12	81	16	79	16	79	16	96	19
Intermountain (R-4)	159	29	200	38	208	36	299	52	360	63
Pacific Southwest (R-5)	542	112	847	169	545	109	663	133	710	142
Pacific Northwest (R-6)	897	174	906	176	958	190	1,170	232	1,338	266
Southern (R-8)	458	83	554	101	610	111	727	132	928	169
Eastern (R-9)	684	111	736	119	877	142	1,095	177	1,244	202
Alaska (R-10) [4/]	296	61	337	72	336	72	234	50	230	57
Total	**3,832**	**730**	**4,413**	**854**	**4,456**	**858**	**5,199**	**993**	**5,905**	**1,132**

1/ Data source is the Automated Timber Sale Accounting (ATSA) system.
2/ Volume (million board feet) in local scale.
3/ Conversions from million board feet (MMBF) to million cubic feet (MMCF) based on actual regional conversion factors, which vary by region and fiscal year.
4/ Long-term sale not included.

Table 18. Forest land management funding—fiscal years 2000-2002 [1/]

Activity or account	2002 [2/]	2001 [2/]	2000
	(1,000 dollars)		
Timber sales management	266,340	255,281	223,060
Forest land vegetation management [3/]	80,000	53,888	62,958
Road construction (timber-related)			
USDA Forest Service construction	729	633	1,946
Purchaser construction by the USDA Forest Service [4/]	-	-	5,945
Subtotal, road construction	729	633	7,891
Total, appropriated accounts	347,069	309,802	293,909
Special accounts [2/]			
Timber salvage sales	76,458	119,636	99,284
K-V [5/] reforestation and timber stand improvement [6/]	34,600	83,183	97,962
Timber sale pipeline restoration fund (sale preparation)	2,700	0	4,620
Brush disposal	18,584	19,932	20,820
Reforestation trust fund	30,000	30,000	30,000
Total, special accounts	162,342	252,751	252,686
Total	**509,411**	**562,553**	**546,595**

1/ Data source is each fiscal year's final program budget advice or budget authority.
2/ Includes General Administration (GA) expenses. In FY 2000, only special accounts included GA expenses; in FY 2001 and FY 2002, GA expenses were included in all areas.
3/ In FY 2001, forest land vegetation management (FVM) was combined with vegetation and watershed management. The FVM amount is estimated, based on the President's Budget.
4/ Due to the phaseout of purchaser credits, costs associated with road construction under the purchaser program are now part of the appraisal costs and are no longer tracked as a separate item. Therefore, these costs are not available.
5/ K-V=Knutson-Vandenberg
6/ Estimated from field request data.

Table 19. Sold value of special forest products—fiscal years 2001-2002 [1/]

Product category	Sold value *(dollars)*	
	FY 2002	FY 2001
Christmas trees	$1,375,205	$1,495,692
Special wood products	$0	$79
Bee trees	$80	$0
Transplants	$190,691	$156,432
Limbs and boughs	$644,799	$327,859
Foliage	$121,918	$73,963
Needles	$2,793	$20
Bark	$8,225	$2,020
Cones, green	$4,238	$44,003
Cones, dry	$20,508	$14,453
Seed	$19,694	$13,919
Nuts and seed	$18,719	$1,165
Fruits and berries	$5,279	$5,017
Tree sap	$3,192	$3,184
Roots	$22,708	$1,420
Bulbs	$70	$0
Mushrooms	$379,596	$369,778
Fungi	$1,312	$1,520
Mosses	$11,127	$10,483
Herbs	$2,602	$690
Ferns	$454	$0
Wildflowers	$6,484	$7,529
Grass	$212,743	$201,388
Vines	$954	$0
Mistletoe	$1,420	$1,492
Cacti	$148	$499
Other plants	$871	$562
Miscellaneous	$118,830	$869,796
Total	**$3,174,657**	**$3,602,962**

1/ Data source is final fiscal year cut and sold report. Includes all products not convertible to board foot or cubic units. Product values have been rounded and may not sum to the actual total shown.

Table 20. Miles of boundary line located by region—fiscal year 2002 [1/]

Region	Total miles of boundary line	2002 miles marked and maintained	2001 miles marked and maintained	2000 miles marked and maintained	1999 miles marked and maintained
Northern (R-1)	27,725	137	305	185	352
Rocky Mountain (R-2)	44,086	154	369	341	224
Southwestern (R-3)	18,053	106	112	91	69
Intermountain (R-4)	20,960	135	161	123	114
Pacific Southwest (R-5)	26,700	144	190	178	149
Pacific Northwest (R-6)	25,627	152	200	209	262
Southern (R-8)	41,234	1,382	1,428	1,473	1,502
Eastern (R-9)	42,071	316	331	181	299
Alaska (R-10)	2,602	26	54	54	90
Total	**249,058**	**2,552**	**3,150**	**2,835**	**3,061**

1/ Totals include accomplishments from landownership management funding, all contributing benefiting functions, and cooperative and cost-sharing activities.

Table 21. Road maintenance accomplishments—fiscal year 2002

Region	Total passenger car roads	Passenger car roads maintained to standard 1/		Total high clearance roads	High clearance roads maintained to standard 1/	
	(miles)	*(miles)*	*(percent)*	*(miles)*	*(miles)*	*(percent)*
Northern (R-1)	14,425	2,587	17.9%	38,896	1,451	3.7%
Rocky Mountain (R-2)	7,062	3,145	44.5%	24,553	6,308	25.7%
Southwestern (R-3)	6,887	1,709	24.8%	45,042	4,474	9.9%
Intermountain (R-4)	8,869	2,848	32.1%	29,850	4,232	14.2%
Pacific Southwest (R-5)	10,959	3,990	36.4%	33,944	4,292	12.6%
Pacific Northwest (R-6)	14,819	4,862	32.8%	77,583	11,667	15.0%
Southern (R-8)	10,100	3,308	32.8%	26,886	6,378	23.7%
Eastern (R-9)	7,867	4,381	55.7%	21,593	9,646	44.7%
Alaska (R-10)	883	667	75.5%	2,792	850	30.4%
Total	**81,871**	**27,497**	**33.6%**	**301,139**	**49,298**	**16.4%**

1/ "Maintained to standard" means maintained to a level consistent with objective use. Road mile changes include roads acquired through land and right-of-way purchases.

Table 22. Road construction and reconstruction by timber purchasers—fiscal year 2002

Region	Cost (1,000 dollars)	Construction roads (miles)	Reconstruction roads (miles)
Northern (R-1)	870	12.8	106.4
Rocky Mountain (R-2)	1,466	12.9	162.5
Southwestern (R-3)	0	0	0
Intermountain (R-4)	164	2.3	5.3
Pacific Southwest (R-5)	225	0	17.7
Pacific Northwest (R-6)	1,049	3.8	115.1
Southern (R-8)	2,491	3.2	61.4
Eastern (R-9)	1,456	13.2	61.0
Alaska (R-10)	0	0	0
Total	**7,721**	**48.2**	**529.4**

Table 23. Purchaser election roads constructed by the USDA Forest Service—fiscal year 2002

Region	Cost 1/ (1,000 dollars)	Construction roads (miles)	Reconstruction roads (miles)
Northern (R-1)	0	0.0	0.0
Rocky Mountain (R-2)	300	2.2	10.6
Southwestern (R-3)	0	0.0	0.0
Intermountain (R-4)	0	0.0	0.0
Pacific Southwest (R-5)	0	0.0	0.0
Pacific Northwest (R-6)	0	0.0	0.0
Southern (R-8)	10	1.1	0.5
Eastern (R-9)	0	0.0	0.0
Alaska (R-10)	0	0.0	0.0
Total	**310**	**3.3**	**11.1**

1/ Funds reported include bridges built or reconstructed using purchaser election funds.

Table 24. Percent of bridges inspected as scheduled—fiscal year 2002

Region	Bridges inspected on schedule *(Percentage of total)*
Northern (R-1)	71.8
Rocky Mountain (R-2)	63.2
Southwestern (R-3)	87.3
Intermountain (R-4)	78.3
Pacific Southwest (R-5)	74.1
Pacific Northwest (R-6)	47.3
Southern (R-8)	93.7
Eastern (R-9)	79.8
Alaska (R-10)	33.2

Table 25. Summary of USDA Forest Service Senior, Youth, and Volunteer Program—fiscal year 2002/program year 2001

	Program funding	Value of work accomplished	Persons served	Women	Minority	Work accomplished	Placement	Return per dollar invested
	(million dollars)	*(million dollars)*	*(number)*	*(percent)*	*(percent)*	*(person years)*	*(percent)*	*(dollars)*
Youth Conservation Corps [1/]	Unfunded	2.4	894	41	21	127	N/A [2/]	1.14
Job Corps [3/]	116.1	18.3	8,976	23	44	3,923	95	N/A
Senior Community Service Employment Program [3/]	28.4	41.2	5,873	44	21	2,134	34	1.45
Volunteers in the National Forests [4/]	Unfunded	38.0	90,678	36	13	1,638	N/A	N/A
Hosted programs	Unfunded	14.9	9,166	27	23	581	N/A	N/A
Total	**144.5**	**114.8**	**115,587**	**N/A**	**N/A**	**8,403**	**N/A**	**N/A**

[1/] Funds were not directly appropriated for Youth Conservation Corps (YCC); the Congress earmarked not less than $2 million to be expended from funds available to the USDA Forest Service. The USDA Forest Service operated a $2.1 million YCC program.

[2/] N/A—Not applicable.

[3/] Statistics for 2001 program year (July 1, 2001, through June 30, 2002).

[4/] Statistics include 215 Touch America Program (TAP) enrollees and 73 international volunteers.

Table 26. Workforce Equal Employment Opportunity (EEO) profile by pay levels, as of June 29, 2002

GS pay level	Race/national origin											
	American Indian/ Alaskan Native		Asian/Pacific Islander		African American		Hispanic		Caucasian		Total	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
GS-1	0	0	0	0	0	1	2	0	1	0	3	1
GS-2	1	0	0	0	3	2	0	2	7	4	11	8
GS-3	4	5	3	4	5	15	3	18	68	80	83	122
GS-4	36	37	12	17	46	44	64	96	546	617	704	811
GS-5	81	101	22	18	78	59	106	170	1,202	1,214	1,489	1,562
GS-6	61	96	22	18	66	39	62	103	838	1,054	1,049	1,310
GS-7	100	147	34	12	103	88	134	165	1,553	1,899	1,924	2,311
GS-8	16	49	4	6	26	13	22	60	319	458	387	586
GS-9	92	168	41	32	95	97	105	194	1,924	3,074	2,257	3,565
GS-10	1	7	0	1	2	2	0	7	19	156	22	173
GS-11	70	99	44	48	88	71	69	157	1,653	3,020	1,924	3,395
GS-12	32	54	31	37	82	60	49	91	926	1,864	1,120	2,106
GS-13	17	37	17	36	72	60	34	85	595	1,365	735	1,583
GS-14	2	15	9	15	26	11	6	25	162	458	205	524
GS-15	0	8	0	4	8	8	2	20	81	261	91	301
GS-18 and SES	0	1	0	1	3	6	1	0	14	29	18	37
WG, WL, and WS	5	64	0	11	3	44	3	62	68	828	79	1,009
Other [1/]	0	0	0	0	0	0	0	0	0	6	0	6
Total	**518**	**888**	**239**	**260**	**706**	**620**	**662**	**1,255**	**9,976**	**16,387**	**12,101**	**19,410**
Grand total [2/]	**1,406**		**499**		**1,326**		**1,917**		**26,363**		**31,511**	

[1/] Non-GS/GM/SES/WG/WL/WS as GS-16 equivalents.

[2/] Grand total includes permanent full-time and permanent part-time employees only, including WG, WL, WS

Table 27. Permanent and excepted-conditional employees by race/national origin and gender, as of June 29, 2002 [1/]

Race/national origin	Women	Men	Total	Percent
American Indian/Alaskan Native	518	888	1,406	4.5%
Asian/Pacific Islander	239	260	499	1.6%
African American	706	620	1,326	4.2%
Hispanic	662	1,255	1,917	6.1%
Caucasian	9,976	16,387	26,363	83.7%
Total	**12,101**	**19,410**	**31,511**	
Percent by gender	**38.4%**	**61.6%**		
Targeted disabilities	--	--	**345**	**1.1%**

1/ Excepted-conditional includes cooperative education students and excepted appointments of people with disabilities.

Table 28. Number of paid employees by type of appointment—fiscal years 1996-2002

Type of Appointment	2002 1/	2001 1/	2000 1/	1999 1/	1998 1/	1997	1996
Permanent 2/	30,400	29,878	28,088	28,046	28,170	29,558	30,347
Nonpermanent 3/	14,724	12,438	11,349	11,965	12,491	10,215	11,075
Total	**45,124**	**42,316**	**39,437**	**40,011**	**40,661**	**39,773**	**41,422**

1/ Includes special employment categories.
2/ Permanent are those employees who have career or career-conditional appointments.
3/ Nonpermanent employees who count in agency ceilings, such as summer, temporary, excepted, term, seasonal, and similar types of employees. These data do not include volunteers (who are not paid salary), and the Senior Community Service Employment Program (who are paid by the Department of Labor). Employees in special employment categories are not included in FY 1996-1997.
NOTE: 2002 Data from NFC Report SF-113G column (1).

Appendix G -Glossary of Acronyms and Abbreviations

Glossary of Acronyms and Abbreviations

Acronym	Full Name of Term
AML	abandoned mine lands
BFES	Budget Formulation and Execution System
CFR	Code of Federal Regulations
CIP	Continuous Improvement Process
CRIA	Civil Rights Impact Analysis
CSRS	Civil Service Retirement System
DOL	U.S. Department of Labor
EAP	Economic Action Programs
ECAP	Environmental Compliance and Protection
EEO	Equal Employment Opportunity
EMC	Ecosystem Management Coordination (staff)
EPA	Environmental Protection Agency
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FIA	Forest Inventory and Analysis
FLP	Forest Legacy Program
FPL	Forest Products Laboratory
FS R&D	USDA Forest Service Research and Development (deputy area)
FY	fiscal year
GAO	General Accounting Office
GPRA	Government Performance and Results Act
GS	General Schedule (pay plan)
IMPROVE	Interagency Monitoring of Protected Visual Environments
INFRA	Infrastructure database
IP	International Programs (staff)
IRM	Information Resources Management (staff)
K-V	Knutson-Vandenberg (trust fund)
LEI	Law Enforcement and Investigations (staff)
LRMP	Land and Resource Management Plan
MAR	Management Attainment Reporting (system)
N/A	Not applicable
NEPA	National Environmental Policy Act
NFP	National Fire Plan
NFS	National Forest System (USDA Forest Service deputy area)
NIPF	non-industrial private forest
NR	not reported or not required
NRIS	Natural Resource Information System database
OIG	U.S. Department of Agriculture Office of Inspector General
OMB	Office of Management and Budget
P&L	Programs and Legislation (USDA Forest Service deputy area)
PAOT	persons at one time
PGA	peer group average
PMAS	Performance Measures Accountability System
PP&E	Property, Plant and Equipment
R&D	Research and Development (USDA Forest Service deputy area—same as FS R&D)

Acronym	Full Name of Term
RAR	Roads Analysis Report
RBAIS	Research Budget Attainment Information System
RHWR	Recreation, Heritage, and Wilderness Resources (staff)
S&PF	State and Private Forestry (USDA Forest Service deputy area)
SFA	State Fire Assistance (program)
SFFAS	Statements of Federal Financial Accounting Standards
STARS	Sales Tracking and Reporting System
SUDS	Special Uses Data System
TMDL	total maximum daily load
TSA	Timber Sale Accounting system
TSP	Thrift Savings Plan
TRACS	Timber Activity Control System
U&CF	Urban and Community Forestry (staff)
U.S.C.	United States Code
USDA	U.S. Department of Agriculture
VFA	Volunteer Fire Assistance (program)